

THE INDEPENDENT

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Blair stalls on open government

Plan for Freedom of Information Bill is delayed

Anthony Bevins
Political Editor

High hopes that Tony Blair would fulfil his pledge to enact Freedom of Information legislation in his first parliamentary session were dashed yesterday, after ministers were told that it was not possible to draft a Bill in time.

The pretext was privately denounced by Labour MPs last night. One said: "This smacks of *Yes Minister*." A constitutional expert said: "The more they delay, the more the beauties of closed government will become overwhelming."

Mr Blair told an inaugural

pointment of Sir David Simon, chairman of BP as new Minister for Trade and Competitiveness in Europe, with a life peerage to come. BP has been under attack for alleged human rights abuses in South America.

In other moves, Stephen Byers, Education Minister, ordered an urgent report into failing schools; Tessa Jowell, Minister for Public Health, said tobacco advertising would be banned within weeks, and early action was promised to "clean up" donations to political parties.

But the high-priority expected for open government and freedom of information was met with less enthusiasm by the Whitehall machine.

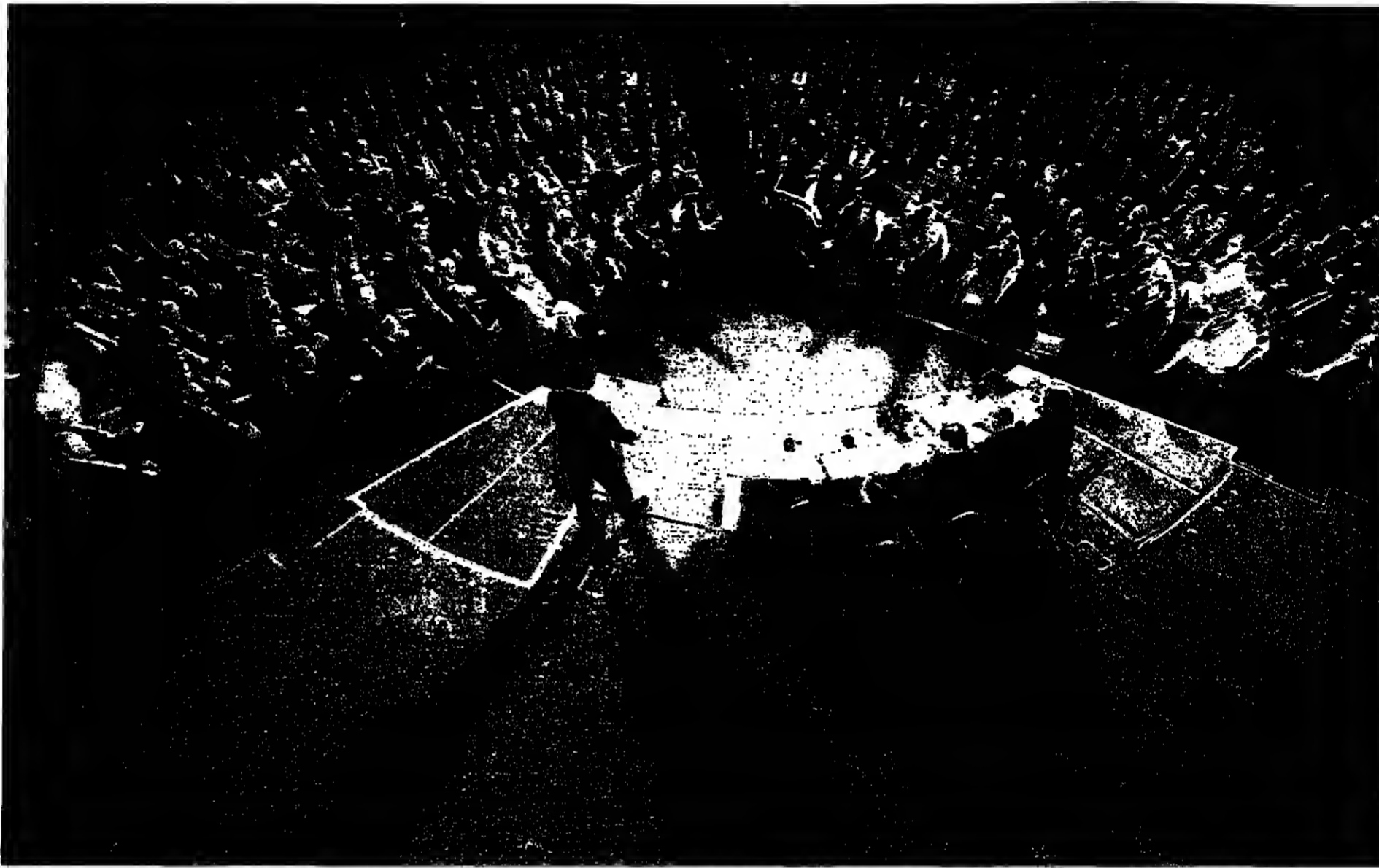
The *Independent* had been told that a Freedom of Information Bill would be included in Labour's first-year programme because it was a low-cost signal of new Labour politics in action.

However, civil servants are said to have advised new ministers this week that legislation would take time to prepare, and it would be much better to offer a White Paper, outlining plans that would be enacted in 1999.

That advice was followed, and approved, at a meeting yesterday of the new Cabinet's legislation committee, chaired by Lord Irvine of Lairg, the new Lord Chancellor.

Though today's first full meeting of the Cabinet would theoretically overturn that plan, there was little hope of that happening last night.

Rather, there was strong suspicion around Whitehall that civil servants had won their first coup, with the backing of key ministers, possibly including Peter Mandelson, Minister without Portfolio, who are thought to be less enthusiastic about open government than Mr Blair. It



Sermon in the round: Tony Blair addressing Labour MPs yesterday in the Church of England's Grand Assembly Hall, London

Photograph: Andrew Buurman

Blair's Britain

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meeting of the Parliamentary Labour Party yesterday that the "highest standards in public life" would be demanded of his 418 MPs.

He also said: "The people will not forgive us if we go back on our promises. But already, less than a week into government, we are beginning to make a difference. We have started with real energy."

That energetic beginning continued yesterday with the ap-

was being argued that there were another three or four years for enactment of the pledge on freedom of information.

Maurice Frankel, director of the Campaign for Freedom of Information, said last night: "The longer they wait, the more diluted it could well become."

That is what happened in the 1974-79 Parliament after Labour had pledged, in its October 1974 manifesto, to "re-

place the Official Secrets Act by a measure to put the burden on the public authorities to justify withholding information." After protracted delay, the pledge was not fulfilled.

Mr Frankel said that the last attempt at backbench legislation on open government, sponsored by Mark Fisher, now Arts Minister, was debated for 21 hours in 1993, and it was absurd to suggest that there had been no legislative preparation.

"They could produce a Bill in a matter of weeks if they wanted," he said.

The latest decision to delay was all the more surprising because Mr Blair's commitment could not have been stronger when he was guest speaker at the Campaign for Freedom of Information's awards ceremony last year.

Arguing for a decentralisation of power, he said: "People often say to me today, 'Every-

one says this before they get into power, then, after they get into power..."

Mr Blair continued: "Our commitment to a Freedom of Information Act is clear, and I reaffirm it here tonight."

Ministerial opponents of the change are worried that if a Freedom of Information Act is put through, then Labour would be making a rod for its own back.

Paddy Ashdown, leader of the Liberal Democrats, yesterday told his 46 MPs that there

would be no "knee-jerk opposition for its own sake". He offered constructive opposition when the Government pursued aims supported by his party - like open government.

Parliament met for the first time yesterday, and Betty Boothroyd was re-elected as Speaker. MPs begin the lengthy process of swearing-in today.

The Queen's Speech will be delivered at next Wednesday's state opening of Parliament.

Vaccine against meningitis may soon be available

Jeremy Laurance
Health Editor

A vaccination giving lifelong protection against bacterial meningitis, one of the most threatening infections of modern times, could be available within a decade, scientists said yesterday.

Trials of new vaccines are showing promising results against the disease which attacks unpredictably, with unrelenting speed and ferocity. There are 2,000 cases of meningitis a year, mainly in babies and young children, with 150 to 200 deaths.

The trials, carried out by the government's Public Health Laboratory Service, with backing from the health department, are testing vaccines against the two commonest strains of bacterial meningitis, B and C. The results were presented yesterday to a meeting of 400 experts at a national conference on meningitis in London.

Dr Keith Cartwright, group

director of the Public Health Laboratory Service in the South-west and a co-ordinator of the trials, said the findings were "very exciting".

One study carried out on 100 children in Gloucester, which was the focus of a major outbreak of meningitis in the mid-1980s, was the first in the world to demonstrate that a vaccine against the group B strain successfully provides protection in babies aged under one year, he said. The unpublished study showed the effect was modest but it indicated that scientists were on the right track.

Two other trials of vaccines against the group C strain, tested on babies aged two to four months, had shown they were both safe and effective.

Dr Cartwright said: "My guess is that we will have a vaccination against the group B strain of the disease within 10 years. I expect we will have to keep re-formulating it to keep up with changes in the strain."

Bosnian Serb found guilty of war crimes

Christopher Bellamy
Defence Correspondent

In the first such conviction since the Second World War, a man has been found guilty of war crimes committed during the Bosnian war.

Dusan Tadic, a Bosnian Serb reserve policeman, was found guilty on 11 out of 31 counts by the International War Crimes Tribunal in The Hague yesterday.

He was cleared on nine formal counts of murder, but nevertheless found guilty of killing two Bosnian Muslim policemen on counts of "persecution", and of taking part in the murder of more than 30 people - which Judge Louise Arbour, the Chief Prosecutor, said was worse, as it was, in effect, "murder with a discriminating intent".

Tadic, 41, had pleaded innocent to all the charges. He heard the verdict of the International Court behind bullet-proof glass in Trial Chamber II.

It is the first conviction for war crimes by a multi-national court since the Nuremberg and Tokyo trials sent 17 Axis leaders to the gallows half a century ago, and the first by a tribunal which was both international and impartial.

The earlier war crimes trials were carried out by the victors in the Second World War. It was

also the first formal condemnation of "ethnic cleansing" by a judicial body.

The International Court has no power to impose the death penalty and Tadic was cleared of all nine counts of murder. The three judges found him guilty on 11 counts of persecution and beatings in prison camps near Prijedor, in north-west Bosnia. Eleven counts - grave breaches of the Geneva Convention - were judged inapplicable.

Under the "persecution" counts, the court found that on 26 May 1992, Tadic had pulled two Muslim policemen from a line of prisoners in front of the Serbian orthodox church in Kozarac and killed them by slitting their throats and stabbing them several times.

He was cleared of a cruel and inhumane sexual act - forcing a Muslim prisoner to chew off another prisoner's testicle. Tadic will be sentenced at a further hearing on 1 July, giving Defence lawyers 30 days to appeal.

Legal experts said getting Tadic to trial at all was the main achievement. The alleged crimes took place during a chaotic civil war and the prosecution could not prove that the accused was linked to any of the murders, or, indeed, that individual murders had taken place.

But there will be disappointment that of 74 people



indicted for war crimes, only eight, including Tadic, have so far been detained.

Martin Bell, the new Independent MP for Taitton and a former BBC war correspondent, condemned the "failure" of the international community to bring war criminals to justice.

"I think it reminds us of the relative failure of the system so far," he told BBC Radio 4's *The World At One* programme. "Seven of the charged are in custody, only one a major figure, and he gave himself up. The rest of the 74 are still at large - I think the figures speak for themselves."

The others include the leaders of the Bosnian Serb war

effort, Radovan Karadzic and Ratko Mladic, who are still in Serb controlled territory.

The US-based group Human Rights Watch said in a statement: "The international effort to achieve justice will ultimately depend not on the trial of subordinate actors like Dusan Tadic, but on the arrest of the accused masterminds of the Bosnian genocide, in particular Ratko Mladic and Radovan Karadzic."

The group urged President Bill Clinton and other leaders to "summon the political courage to ensure that Nato troops arrest and surrender indicted." If they don't, "this first effort at an international system of justice since Nuremberg and Tokyo will fail."

The Serbian and Bosnian Serb authorities have shown no signs of extraditing anyone to the United Nations court, and Tadic's acquittal on all nine counts of murder because of lack of evidence suggests that the tribunal will find it very difficult to convict others on the most serious charges.

The Foreign Office said the verdict marked "a further step in bringing to justice those responsible for crimes against humanity".

It added that the United Kingdom wanted to see "all those responsible for war crimes brought to trial in The Hague".

Maurice Lacroix
Switzerland



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Blair and Bruton in talks to avert Ulster marching crisis

In their first meeting as premiers, the Taoiseach John Bruton will today urge Tony Blair to move urgently to avert a repetition of last summer's disturbances arising from Ulster marching season.

Mr Bruton's visit will be the first by a foreign head of government since Mr Blair's arrival at Downing Street. Dublin sources said Mr Bruton would urge Mr Blair to act on key recommendations of the North report on contentious parades to prevent Drumcree-type unrest erupting for the third year in succession. The meeting follows discussions in London last night between the new Northern Ireland Secretary, Mo Mowlam, and Irish foreign minister Dick Spring.

The two premiers will also analyse the prospects for a renewed IRA ceasefire and confidence-building measures to encourage the resumption of multi-party talks next month in the wake of the success of two Sinn Féin candidates, Gerry Adams and Martin McGuinness in last week's general election.

In a speech last night to the Oxford Union, Mr Bruton promised that if Republicans "make good their promise to take the political road, the two governments will receive them at the gates of Stormont Buildings into inclusive talks where no topic is excluded". But he warned that an attempt to "half-suspend" violence or to "combine syntax and semtex" would not see Dublin hold up talks until Sinn Féin and the IRA were ready to declare a final ceasefire.

Alan Murdoch - Dublin

Hunt for missing boys scaled down

The grandfather of a schoolboy drowned off the Lincolnshire coast at the weekend vowed yesterday to keep searching for his

grandson's two friends who are still missing. James Scott spoke after an inquest into the death of his 11-year-old grandson, Christopher Scott (pictured), was opened and adjourned. Mr Scott said helping with the search was "just something I have got to do. I still live in this community and although I have had a tragedy myself I have got to do my bit". Christopher had been on a bicycle ride with Nathan Sawyer, aged nine, and Ian Smye, 10. It is almost certain that they are dead and police yesterday began scaling down the hunt for them.

Matthew Brace

Andrew Neil to edit 'European'

Andrew Neil, former editor of the *Sunday Times*, has taken over the reins of the *European* newspaper.

In January, 47-year-old Mr Neil became editor-in-chief of European Press Holdings, the company which owns and publishes the *European*, *Scotsman*, *Scotland on Sunday* and the *Edinburgh Evening News*.

Mr Neil has assumed day-to-day control of the *European* from next week's issue following the departure of the editor, Charles Garside, who has left the company to pursue other interests. He has said in the past he would like to see the weekly pan-European newspaper become like the *Economist* "with glamour".

Theatre gets £5.9m lottery grant

A grant of £5.9m to Wolverhampton Grand Theatre is among 54 projects to benefit from the latest £14m lottery bandouts for the arts, announced today. The second largest grant is £3.7m to the Hanover Band Trust in Hove, Sussex, towards buying and refurbishing the Old Market buildings in the town. The Tricycle Theatre in north west London gets £2m to develop its site.

Dissenters at peace after rescue

The dead beneath the Dissenters' Chapel in Kensal Green Cemetery, north-west London, may rest in peace again. The builders have gone and so have the heritage guardians who yesterday celebrated the success of a remarkable £525,000 rescue project. Built by the General Cemetery Company in 1834 for the use of religious conformists, the Grade II*-listed chapel fell into decay after the Second World War and in 1991 was designated by English Heritage as a "building at risk".

The two-year project was funded by English Heritage, the Historic Chapel Trust, North Kensington City Challenge and the Heritage Lottery Fund.

Stephen Goodwin

Harold Best: An apology

In an article in last Friday's edition we incorrectly stated that Harold Best, the new Labour MP for Leeds North, had been a member of the Communist party. We accept that Mr Best has never been a member of the Communist party and are happy to set the record straight.

people



Pulling power: *Fifth Element* director Luc Besson with actress Milla Jovovich (Photograph: Brian Harris)

Fists fly as the film world gets festive at Cannes

The 50th Cannes Festival began yesterday just as the scriptwriter ordered - with fists flying as photographers jostled to snap Bruce Willis, the star of the opening film, *The Fifth Element*.

Meanwhile, new arrivals in town gazed with astonishment at the blue bubble-shaped object parked by the harbour - not, as it happens, a passing spaceship, but the venue for last night's opening party.

Cannes has seldom been associated with good taste, but even by its own sub-Babylonian standards, the vast mural which hangs over the entrance to the Palais Du Cinema is a shocker - two gigantic golden palms either side of a red stairway on which stand various stick-like figures in evening dress, apparently famous figures from festivals past, but all so indistinctly drawn as to be unrecognisable.

The image of the golden palm is all over town. It hangs from hundreds of red pennants along the main thoroughfare, the Croisette. It is stencilled into the pavement. It is in every shop window. There are already reports of memento hunters shimmying up flagpoles in an attempt to purloin the pennants.

The little seaside town has now undergone its usual opening day metamorphosis into mini-police state. The Croisette is cordoned off. Gendarmes stand at every corner, checking press passes.

In the back streets, rich old ladies, out walking their

poodles, scowl at the strangers who've descended on their home town in record numbers.

Despite festival director Gilles Jacob's assertions to the contrary, Cannes is simply a celebration of the art of cinema. It's one of the film world's biggest markets and it is also an opportunity for tourists, journalists and photographers to gawp at stars and starlets.

As expected, there is more glitter than ever this year. Michael Jackson is due in town tonight for a midnight screening of his 40-minute spectacular, *Ghosts*.

The Spice Girls arrive tomorrow to promote their forthcoming film and, no doubt, show off their Union Jack underwear.

Johnny Depp will be on the Croisette, promoting his directorial debut, *The Brave*, in which Marion Brando co-stars. It is a dark film with a dark history. In late 1993, Aziz Ghazal, the director originally pencilled in to make the movie killed his ex-wife and daughter before shooting himself.

It is too early to predict where this year's prizes will be going, but the buzz surrounding the two British films in competition, Michael Winterbottom's *Welcome To Sarajevo* and Gary Oldman's South London psychodrama, *Ni By Mouth*, suggests that the prospects of a second consecutive Palme d'Or (after *Secrets and Lies* last year) aren't as far-fetched as they first seemed.

Geoffrey Macnab

Millionaires fight for place in the sun

A British businessman leading a super-rich group battling to avoid being thrown off a Caribbean island vowed yesterday to stay put until the fight was won.

Several millionaires, including supermarket giants Lord and Lady Sainsbury, as well as author Ken Follett and his wife Barbara (right), the new Labour MP, own exclusive retreats at Jumbay Bay, off the coast of Antigua.

Their homes, which they bought from American owners Arawak for more than £1m, depend on the island's hotel for their fresh water and electricity. And Arawak wants to close the 39-bedroom hotel, where rooms cost up to £1,700 a night, because it is unprofitable.

Members of the Jumbay Bay Club, to which the home owners belong, say the owners have a contractual duty to provide them with facilities.

The case was yesterday taken to the Antiguan High Court in St John's, where the residents are opposing the closure plan.

Mr Justice Kenneth Benjamin granted them a temporary injunction requiring the firm to keep the resort open until a final judgment, expected next Monday. The British businessman leading



the fight, 62-year-old Peter Swann, said afterwards: "We are confident of victory and were heartened by the decision." He said only three people were left on the island - himself, wife Patricia and neighbour Roland Franklin, a former lieutenant of Sir James Goldsmith. "Most people have left because the situation is so unsure but we are going to stay put," said Mr Swann.

The home owners, who paid up to £47,000 for Jumbay Club membership on top of the £1m cost of building plots, are applying for a receiver to manage the hotel.

Mr Swann argued the resort was not running at a loss and that the owners had a hidden motive for shutting it down - such as forcing out the club members before opening up again with more power and influence.

Peking jails abbot over reincarnation of Tibetan lama

It is almost exactly two years since the exiled Dalai Lama infuriated Peking by anointing six-year-old Gendun Choekyi Nyima as the reincarnation of the Panchen Lama, the second holiest figure in the Tibetan religious hierarchy. The little boy and his parents have not been seen since, after being taken into "safe custody" by the Chinese, who subsequently chose Gyaincin Norbu, 6, as the 11th Panchen Lama. He is now undergoing intensive training at Tashilhunpo, central Tibet, under Peking-appointed tutor monks.

Nor, until yesterday, had there been official news about the man in charge of Peking's search for the Lama - Chadröl Rinpoche, then edging abbot at Tashilhunpo. He was detained in May 1995, days after the Dalai Lama named Gendun.

Only now has the Xinhua news agency announced that, at a secret trial last month, Chadröl Rinpoche was sentenced to six years in jail for allegedly passing information on Peking's search to the Dalai Lama. Two of the abbot's aides were also jailed; Xinhua said the three had "committed the crime of splitting the country". Most Tibetans believe Gedhun is the true reincarnation.

Teresa Poole

briefing

TOURISM

Strong pound deterring European visitors

Currency differences are stemming the flow of European tourists to Britain, it was revealed yesterday.

The strong pound meant the number of Western European visitors to the UK in the first two months of 1997 fell 5 per cent compared with January-February 1996.

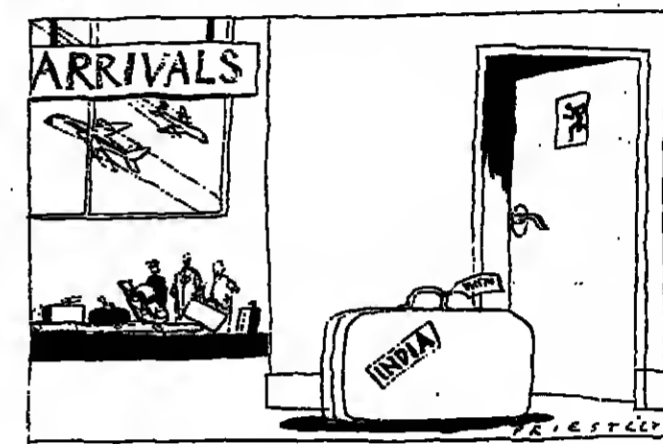
The dip, after many months of increases, meant the total number of overseas visitors fell slightly from just over 3 million in January-February 1996 to 2.99 million, according to the Office for National Statistics. "The pound's strength has had some effect. Short-break business has clearly been affected by fluctuations in exchange rates," said a British Tourist Authority spokeswoman. However, the number of North American visitors - traditionally the biggest spenders - rose 11 per cent in the first two months of the year to about 480,000. This helped bring total overseas visitor spending to about £1.39bn, roughly the same as in 1996.

HEALTH

'Delhi belly' blight for holidaymakers

Holidaymakers are still falling foul of "Delhi belly" and other similarly named exotic ailments on their travels, according to a Consumers' Association survey yesterday.

Apart from China, India is the destination where tourists are most likely to be ill, *Holiday Watch* magazine found. The survey of more than 20,000 readers showed that 38 per cent of visitors to China and 35 per cent of those who go to India became unwell, mainly with stomach problems. The next most risky destinations were Egypt, Morocco and Turkey where 32 per cent of visitors fell ill, followed by Indonesia (31 per cent), Kenya, Mexico and Thailand (all 27 per cent). Places where fewest people suffered sickness were Denmark and Corsica (2 per cent), followed by Hungary, Finland and Slovenia (3 per cent).



SCIENCE

Progress on anti-cancer vaccine

Scientists have synthesised a potential anti-cancer vaccine by assembling a carbohydrate molecule from chemical "building blocks".

Cells of many tumours have distinctive antigens - proteins that trigger an immune reaction - on their surfaces. It has long been known that these antigens could be used therapeutically as anti-cancer vaccines. But isolating them in usefully large quantities is difficult. Now a team from the Sloan-Kettering Institute for Cancer Research in New York believe they may have created an artificial anti-cancer vaccine. The vaccine is a cell-free K1-1 antigen which could be used as a harmless, cell-free way to prime the immune system against tumours, in the same way that vaccination with a viral or bacterial protein fragment can protect against infectious disease.

ASTRONOMY

Galactic halo springs surprise

Astronomers have been left perplexed by observations of a dark matter "halo" around another galaxy that has deepened one of the universe's biggest mysteries.

Astronomers have recently detected substantial haloes of dark matter around galaxies, which signify their presence by the gravitational effect they have on visible stars and gas embedded within them. But a study of one of these haloes yielded a surprise, according to a report in the science journal *Nature*. A team of researchers at the Space and Environment Technology Center, Los Angeles, found that the spectra, or light wavelengths, of near-infrared emissions from the halo indicated "a very peculiar spectral energy distribution, which cannot be explained by any current models of stellar populations". The halo appeared to be populated with relatively young stars as well as a large number of low-mass stars - the opposite of what would have been expected.

MEDICINE

Concern over eye surgery benefits

One in six people having laser treatment to correct short sight fails to gain normal vision as a result of the operation, experts say. Studies show 15 per cent of patients still have to wear glasses after the operation and 3-4 per cent suffer more serious side effects.

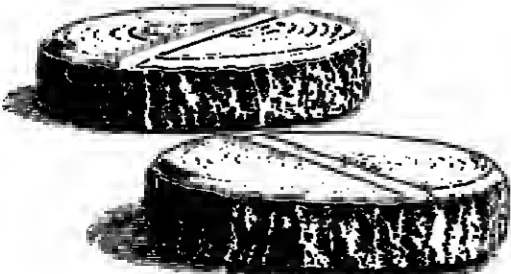
Demand for laser eye surgery has grown as the price has fallen from around £1,500 per eye two years ago to under £400 today. About 10,000 people in Britain are expected to undergo the treatment this year. An investigation for the Channel 4 series *Health Alert*, to be shown tonight, found no eye surgeon in Britain who had undergone the procedure.

Jeremy Laurence

NEWSPAPERS SUPPORT RECYCLING
Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996



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With a little help from the Proms, Beatles join the classical repertoire

David Lister
Arts News Editor

The Beatles can now officially be considered as classical music. But Andrew Lloyd Webber can not.

This year songs by John Lennon and Paul McCartney will be sung at the Proms for the first time. And yesterday the Proms director, Nicholas Kenyon, who is also head of BBC Radio 3, said he had made the decision to include Lennon and McCartney at classical music's premier international festival in an attempt to broaden the classical repertoire.

But in a surprising put-down of Lord Lloyd Webber, Mr Kenyon said he believed the most commercially successful composer in the world still had "a little way to go" before entering the repertoire. However, the late Frank Zappa, a former wild man of rock, will have his music featured at this year's Proms.

Lord Lloyd Webber, who has long considered himself a composer of opera, reacted diplomatically to Mr Kenyon's remarks last night.

He said: "I'm a great supporter of the Proms since having first visited the Proms when I was three years old, when taken by my father, who was the director of the Royal College of Music across the road. And I would be thrilled if one day my music would be performed there."

Mr Kenyon said of this year's programme: "Lennon and McCartney's songs are now the classics of our day because they have survived absolutely continuously as music that people listen to, respond to and love, and have done for over 30 years."

"In their way they have established themselves as as significant as any other composer of their era. They speak to people just as much as the classical composers of the Sixties, Berio and Boulez."

He added: "Lennon and McCartney can be compared with Gershwin. I wouldn't be surprised if people questioned my judgement but we are robust about this. It is music that a Proms audience will respond to. I want to show that the repertoire can broaden itself and refresh itself."

Beatles songs including "Penny Lane", "Eleanor Rigby", "I'll Follow the Sun" and "Honey Pie" will be sung by the King's Singers at a Prom in July.

And in a further widening of the repertoire, a composition by Zappa will be played.

Excerpts from Zappa's "The Yellow Shark" will also be heard at the Royal Albert Hall on Sunday 20 July.

Also at the lighter end of the spectrum there is a celebratory concert for John Dankworth and Cleo Laine.

However, the classical music establishment's embrace is not being offered to all Britain's world-famous popular composers. Mr Kenyon said that Lord Lloyd Webber did not come under the classical umbrella, and he could not foresee his music being played at the Proms.

"I think Lloyd Webber's got a little way to go," said Mr Kenyon, "before he establishes himself as someone whose music has permanently entered the repertoire."

Available this year is a special CD with music choices from celebrities including the tennis star Tim Henman and the actor Bob Hoskins.

Mr Kenyon said: "The CD is intended to encourage those less familiar with classical music to give the Proms a try." The CD is presented by the sports presenter, Desmond Lynam.



Classical leanings: The Beatles rehearsing with an orchestra in 1967 for the global transmission of *All you Need is Love*

Photograph: Rex Features

Masterpiece or Muzak: how do they score?



ANDREW LLOYD WEBBER
He ceases to be classical each time his private jet lands at Heathrow. His work counts as classical in America and Ireland, but not in Britain. His music is being played at this year's Irish Proms. His Requiem won him an American award as best classical contemporary musician. He classifies his musicals as operas.



MIKE OLDFIELD
By Leonard Bernstein's definition, the composer of the 1973 hit *Tubular Bells* is up there with Brahms and Beethoven. From glockenspiel to the "two slightly distorted guitars" announced on the album, Oldfield also played all the instruments himself.



MICHAEL NYMAN
The composer of the score for the film *The Piano* is hovering on the edges of classical recognition. However, he has one claim to eligibility that neither Kenyon nor Bernstein noted in their definitions. His compositions deal with death, a defining aspect of classical music, and almost never of pop music.



GEORGE GERSHWIN
Porgy and Bess has been performed at Glyndebourne and the Royal Opera House. But an even better tribute to his classical status came from Ravel when Gershwin asked him for music lessons in Paris. "How much do you earn?" asked Ravel. Gershwin told him, "I should be taking lessons from you," Ravel replied.



MARIANNE FAITHFULL
She complained officially to chart compilers that her recording of Kurt Weill cabaret songs was excluded from the classical charts. A classical crossover chart has now been established to accommodate her and similar anomalies. But participation in the 1968 Rolling Stones Rock'n'Roll Circus rules her out of full classical status.



THE SPICE GIRLS
Mr Kenyon might expect promoters to boogie to Frank Zappa, but Mel B and Chums leave him cold. "The Spice Girls have a mountain to climb before they show they have the staying power," he says. Their musical response is likely to be either a broadening of their repertoire or a head butt for the Proms director.

Birds of a Feather knock Panorama off its perch

Paul McCann
Media Correspondent

The BBC is courting controversy by moving its flagship current affairs programme *Panorama* permanently to a later time to make way for a ratings-boosting situation comedy.

From 2 June, *Panorama* will move to 10pm on Monday nights while its current 9.30 slot is replaced by a new series of *Birds of a Feather*.

The BBC denied that the move signals a downgrading in its commitment to current affairs and that it does admit that it has been losing the battle for ratings on Monday nights. It claims the move should boost *Panorama*'s ratings as well as the whole channel's evening's audience.

Mark Thompson, acting controller of BBC 1, said: "We want to strengthen and broaden BBC 1's Monday-night line-up. *Panorama* has a well-earned reputation for powerful and highly relevant journalism. Both it and the *Nine O'clock News* should benefit from these changes."

Panorama, which has been



Flying high: Linda Robson, Lesley Joseph and Pauline Quirke

running for 44 years, has been in its present 9.30 slot for 12 years. Its average viewing figures last year were 4.3 million. The BBC claims that *Panorama* already gets 1 million extra viewers from ITV for the last ten minutes of *Panorama* when *News at Ten* starts.

News at Ten itself has been at the centre of a controversy about the importance of current affairs in an increasingly competitive broadcasting environment.

John Major, the then prime minister, intervened in 1993 to prevent ITV from moving *News at Ten* to an earlier slot. ITV still wants to move the programme so that it can run the more

highly rating movies without being interrupted by the news.

ITV now drops its documentary strand *World in Action* during summer months and has virtually committed the programme to a ratings graveyard by putting it up against *EastEnders* at 8pm rather than in a later, more valuable slot.

Situation comedies are increasingly moving into more "serious" time slots after 9pm. *Men Behaving Badly* succeeded in this slot while factual programmes like *Inside Story*, *Crimewatch UK* and *QED* have been moved to 10pm over recent years.

"Other factual programmes have done well when they have moved to this time," said Steve Hewlett, editor of *Panorama*.

The programme has already tried to boost its ratings by moving away from long studio discussions and the so-called Britian analysis, to more human stories. One report last year attracted headlines by presenting research that working mothers were harming their children's education by not staying at home.

Hedgehog barbeque leaves sour taste

Clare Garner

Animal-welfare campaigners are feeling prickly about the prospect of a hedgehog-eating festival arranged by Gypsies. For £12.50 members of the public are invited to the open-air Romano barbeque, where they can savour the gourmet Gypsy recipe for roast hedgehog marinated in honey.

Gypsy leader Bartley Gorman fears the traditional Gypsy dish has fallen by the wayside and is selling tickets for the day-

baked-furze-pig festival, which is being held at Uttoxeter, Staffordshire, on 5 July, in an effort to revive the delicacy.

But if the Hedgehog Preservation Society has its way, Mr Gorman will fail to get the event off the ground.

Adrian Cole, founder of the society, is launching a campaign, backed by Derbyshire Wildlife Trust, to ban the barbeque. "It is disgusting and deplorable that human beings will stoop so low as to go around purposefully killing a native

wild animal like the hedgehog," he said yesterday. "They are on the decline already thanks to man grubbing up all their hedges and building motorways and other things over their natural habitats."

Elaine Drewery, who runs a hedgehog sanctuary from the village post office in Anthorpe, near Louth, Lincolnshire, said: "It's ... tragic that the £12.50 they are charging to eat barbequed hedgehogs is what it costs us on average to treat injured hedgehogs in our wildlife hos-

pital and return them, fully restored, to the wild, sometimes after months of treatment."

Mr Gorman, a former bare-knuckle fighter from Wood Lane, Uttoxeter, retorted: "What about all the rabbits and pigeons that find their way on to our tables, even in restaurants?"

"I don't see why there should be so much fuss, particularly when you see hundreds of hedgehogs killed on our roads every year and on omelette tins and eggshells."

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news

Fertility fears over tin can chemical

Nick Schoon
Brussels

A mass-produced chemical which lines the inside of tin cans can harm male babies as they develop in the womb, an embryologist told a conference yesterday.

The chemical, called bisphenol A, is one of 60 known "gender-bender" substances - chemicals which can mimic nat-

urally-occurring hormones and which a growing number of scientists believe are affecting wildlife and humans, causing illness and putting fertility at risk.

Professor Frederick vom Saal, of the University of Missouri, said his studies on mice and on human cells kept alive in test tubes had convinced him the intake of bisphenol A that people received in a normal western diet could harm

developing male embryos.

He found that when very low concentrations were given to pregnant mice, their male young had a permanently enlarged prostate gland and a 20 per cent drop in sperm counts when they matured. His laboratory and three others had also demonstrated that the chemical caused a hormonal response in cultured human breast tissue cells.

In the foetus, the great majority of naturally-occurring oestrogen molecules circulating in the blood are attached to proteins and as such are unable to enter cells. But, said Professor vom Saal, "We found that bisphenol A can bypass this barrier system."

He pointed out that the prostate gland sighted just beyond the bladder, was "the most diseased organ in the human body" with most elderly men experiencing some problems. Anything affecting the embryo which enlarged the developing prostate more than normal should be avoided, he said.

"We now have an animal study which shows that at the level found in our food, bisphenol A will have an impact on the male foetus... it has to be perceived as a potential risk, especially to pregnant and breast

feeding women and their babies," he said.

As well as being used in can linings, the chemical is a building block in a common plastic, polycarbonate, found in compact discs. It is also used as a sealant in dentistry. Professor vom Saal attacked some chemicals and manufacturing companies for refusing to tell health researchers what chemicals they use in their plastics. "Tupper-

ware told me we do not release this information to the public."

He was one of several scientists talking to a conference organised by the Global Legislators' Organisation for a Balanced Environment and the Worldwide Fund For Nature. It was attended by MEPs and parliamentarians from several continents but no British MPs.

Many environmentalists see synthetic chemicals which interfere with hormone systems during the embryonic development of humans and animal species as a major green issue which will come to rival global warming in importance.

They believe the substances are to blame for rising rates of testicular cancer, falling sperm counts and an increase of cases of malformed, undersized penises and undescended testicles.

Bridgewater convictions were unsafe

None of convictions for which the Bridgewater Four were jailed was safe, the prosecution admitted yesterday.

Jeremy Roberts QC, for the Crown, told the Court of Appeal that its approach to the case had been completely altered by the finding of fresh evidence on 6 February this year which showed that police had forged one of the confessions.

Michael Hickey, 35, his cousin Vincent Hickey, 42, and James Robinson, 63, spent 18 years in prison after being jailed for life for the murder of 13-year-old Carl Bridgewater at Yew Tree Farm, near Stourbridge, West Midlands. A fourth man, Patrick Molloy, died in jail in 1981 while serving a 12-year sentence for manslaughter.

Mr Roberts said that "it could now be seen" that Mr Molloy "was tricked into making a confession statement by being shown a forged document purporting to be a statement signed by Vincent Hickey. In these circumstances Mr Molloy's confession statement and later confessions were inadmissible in evidence against him."

He said all the confessions were "tainted by the continuing trick played upon him".

"Without Mr Molloy's confession there was no case against him. If what is now known had been known at the time, Mr Molloy would not have been in the dock at all."

"The trick practised on Mr Molloy must have had a very

substantial impact on the cases of the other three such as we cannot invite the court to treat their convictions as safe."

Mr Roberts said that where the conviction of one defendant has been "improperly obtained", the "inevitable consequence" must be that the convictions of co-defendants must be quashed as well.

He said the evidence obtained by the deception of Mr Molloy "must have had a powerful prejudicial affect" on the other three "so that we cannot properly submit that the jury would have convicted them".

"If the truth about the trick had been known in 1979, none of the confession evidence would have been put before the court and Mr Molloy would not have been in the dock."

In 1990, the comparatively new ESDA technique for forensic analysis of documents was used to test Mr Molloy's confession statement. Impressions were found of a statement apparently made earlier on paper which would have been lying on top of the paper used for the Molloy confession. The impressions were of handwriting bearing the name and signature of Vincent Hickey. The signature was "clearly a forgery", it was alleged. Michael Hickey and the two others were granted bail by the Court of Appeal in February. The judges, Lord Justice Roch, Mr Justice Hadden and Mr Justice Mitchell, are also asked to quash Mr Molloy's conviction. The case continues today.



Best barre none: Players from Wembley FC, of the Icis League, and English National Ballet dancers go through their paces in Kensington, London, yesterday in a test for the Watchdog HealthCheck programme which found that footballers are fitter than dancers, while dancers showed more poise and agility
Photograph: Edward Sykes

Tourist rape gang leader detained for 12 years

Louise Jury

The 14-year-old ringleader of the vicious gang rape of an Austrian tourist was yesterday sentenced to 12 years' detention. Adrian Henry, of Finsbury

Park, north London, was told by Sir Lawrence Verney, the Recorder of London: "You and they showed no mercy, and you cannot now expect that mercy will be shown to you."

The judge expressed amazement that Henry, who is 6ft 11ins tall and weighs 17 stone, could still insist that the first act of intercourse with the woman was with her consent.

She had been lifted off the ground by the gang, stripped, assaulted and then held down on the ground for the attack near King's Cross, London, last September. Afterwards she was thrown in a canal. "How you can possibly imagine, if you do, that a woman who had been so treated was agreeing to have sexual intercourse with you is beyond understanding," the judge said.

He added that the victim identified Henry as one of those who helped to push her into the canal, having heard her say

that she could not swim.

Sir Lawrence said he had taken into consideration Henry's age. "But the victim's account made it clear that, although the youngest of all, you are to be treated as a leader of your gang."

Last month, the other seven youths involved were sentenced to between 10 and 12 years' detention.

The judge, who had lifted an order that Henry could not be named, said the teenager should remain under supervision for the whole period of his sentence.

Henry pleaded guilty to rape only as his trial was due to start. A report indicated that he pleaded because of the strength of the evidence against him, but

that he had no realisation of the awfulness of what he had done.

However, Sir Lawrence said the sentence was two years shorter than it would otherwise have been because of the plea. The 33-year-old woman still had to give evidence because another gang member denied rape.

At the time of the offence, Henry was in care and on bail for robbery, for which he was due to be sentenced on Monday. Scientific examination of his clothing revealed the woman's blood on his jacket and T-shirt, he said.

Michael Cogan, for the defence, said Henry would have liked to have had the opportunity to apologise to the victim. The teenager had always

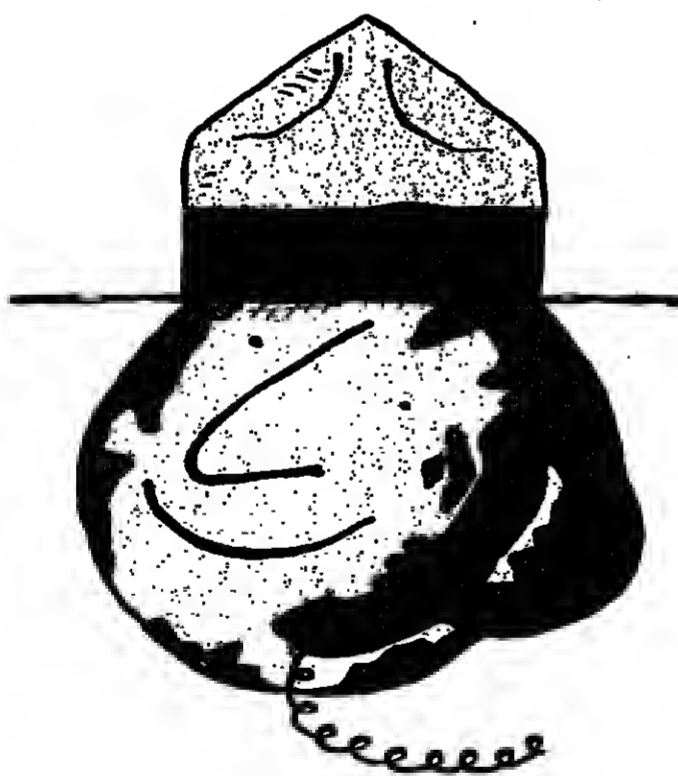
been ashamed of his size, which had placed a burden on him, he added. "He mixes with people older than him and has to live up to their age. To a large extent he lives in a fantasy world."

The former husband of the victim watched the proceedings from the public gallery with an interpreter. The woman left him after he blamed her for the attack. He has since said he regretted his behaviour.

The judge also ordered that the identity of two more of the gang can now be revealed. They are: Timothy Davies, 17, and Colville Angol, 18, both of Islington, north London, who each received 11 years' last month.

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DAVID
AaronovitchTonetone and the
fresh-faced kids
take over the club

Great democracies enjoy such pictures as this: a large room contains the press of flesh, serge trousers hard alongside trailing skirt, one's nose under another's armpit, an open mouth here, a finger waved aloft there, women of destiny, men of fashion, knots of anxious faces in the background; the whole vivid canvas alive with the noisy movement of the people's representatives.

In France the painting is entitled *The meeting in the tennis court at Versailles, 1789*, and it depicts the creators – abbés, deputies and citizens – of the Revolution meeting and arguing long before the Terror comes, and some of the infant Jacobins depicted turn executioners,

comrades – made comfortable camp.

Like old, crusty men ejected from their favourite armchairs in an exclusive (though decrepit) gentlemen's club, they resent or lament the loss of the best place by the fire, of first choice of the periodicals and first pick of the cigars.

Crushed, they mutter that they will be back, but they do not really believe it.

The awful truth, as they can now see, is that the kindergarten has taken over the smoking room. For, frolicking, chattering and smiling all over the old haunts, are gangs of fresh-faced kids. Deeked out in their party frocks – their hair brilliantiated – these children overflow up the aisles, down the corridors, occupy the balconies, sit on one another's knees, lean against each other and laugh innocent laughs.

Student leaders joke with journalists, young women giggle with young men. There is no containing them. When the food is finally served, what a glorious mess there will be!

In front of these innocents – the only man with space around him – is the spunky guy who knocked open the gates, barged past the surprised porters and led the little ones into the room. They idolise him, for he is himself the stuff of their storybook fantasies: Tonetone the boy Prime Minister. Tonetone, aided by his trusty sidekick (that kind but irascible old scoundrel, Captain Prescott, the eccentric but brilliant Professor Cookulus and – of course – a clever little snow-white dog called Peter), is about to set off on great adventures: Tonetone and the Minimum Wage; Tonetone and the Seven Pillars of a Decent Society.

In high spirits they elect as Speaker a nice, motherly lady called Betty, and listen to all the speeches, and whisper to each other about what an odd place this is, and how – given time – they will do things very differently to those whose mouldy smells still cling to the upholstery. But they forget that – once upon a time – their wizened, feeble opponents were also children, and smiled and chattered.



Tongue in cheek: Tony Blair is surrounded by some of the 101 victorious female Labour MPs on the steps of Church House in Westminster, central London, yesterday

Europe is banking on Brown

Sarah Helm
Brussels

The Government's decision to surrender political control over the Bank of England was welcomed in Brussels yesterday as a move to line Britain up for the single currency. Although most analysts still believe it is unlikely Britain could be ready to join in the first wave, should it so choose, it is now, at least, becoming possible.

Many analysts in Europe think the move to give the Bank freedom was as much about easing the path to a single currency as it was about control of the domestic economy, but that it was portrayed in terms of the latter to ease its consumption. Alexandre Lamfalussy, president of the European Monetary Institute, forerunner of the European central bank, called it "music to my ears." He told the European Parliament the reforms constituted "a major step towards meeting the independent criteria for monetary union."

News yesterday that Sir David Simon, chairman of BP and a strong single-currency supporter, had been made minister for trade and competitiveness in Europe, added to speculation in Brussels about the new government's intentions towards the euro.

Announcing the reforms on Tuesday, Gordon Brown, the Chancellor, said they were desirable for domestic reasons, and were unrelated to the single currency. But that is not how it was viewed in other European finance ministries or in institutions preparing for the euro.

Mr Brown's fellow finance

ministers will have a chance to grill him on the Government's real intentions on the single currency at a meeting in Brussels on Monday. If the Government hopes to join the first wave, on 1 January 1999, or soon after, it must move swiftly. Under the Maastricht Treaty Britain must "notify" its partners of its intention to join the first wave by the end of this year.

Perhaps the biggest single task Britain must perform to qualify is to transform the Bank of England into a fully independent central bank, one of the key Maastricht criteria.

Although Mr Brown's announcement on surrendering

control of interest rates does not fully meet Maastricht's definition of independence, it is viewed in Brussels as a significant move.

Under the stewardship of Kenneth Clarke, the former chancellor, Britain had already met many economic-convergence criteria, an achievement

which Mr Clarke used to present as necessary "in the British domestic political interest."

Last month the European Commission's economic estimates forecast Britain would meet the key budget deficit criteria for 1997 with every other country apart from Italy and Greece. Questions still remain

about whether Britain would have to rejoin the exchange rate mechanism to qualify.

Membership of the ERM is viewed by other member-states and the European Commission as another key criteria, although Britain disputes such an interpretation of the treaty.

Joining Blair, page 20

Crushed,
they mutter
that they will
be back, but do
not really
believe it

while others (usually older and better dressed) become executives. The American version – more staid – is of the founding fathers busy founding. In the foreground Jefferson sits writing the new constitution with a sharp-edged quill, while Washington and others variously declaim, proclaim and speculate.

Now let us in Britain add to that list. For we too have a revolutionary scene worthy of an epic artist: this to be entitled *Electing the Speaker, May 7th, 1997*. But even before a brush is wielded or a colour mixed, the raw mathematics tells much of the story: three-fifths of Conservative MPs either retired or gone in the Great Cull; 260 new members present, most of them Labour, many of them women.

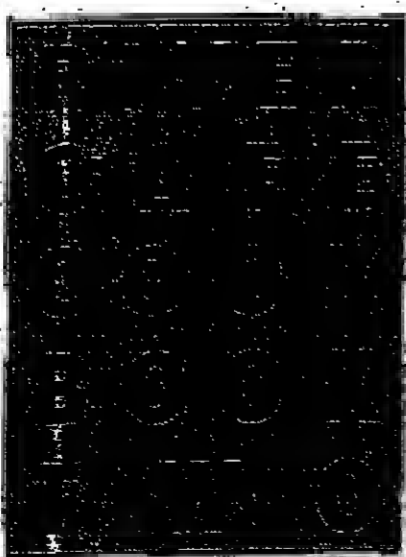
So, occupying barely one quarter of the unfamiliar Opposition benches, sit or stand the sad remnants of a defunct dynasty. With what sullen looks they contemplate the seats where once they – and their departed

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Who's who in the Labour Government

THE CABINET

Prime Minister – Tony Blair, 44, *£100,000 salary
 Deputy Prime Minister, Secretary of State for the Environment, Transport and the Regions – John Prescott, 58, £60,000
 Chancellor of the Exchequer – Gordon Brown, 47, £60,000
 Foreign Secretary – Robin Cook, 51, £60,000
 Lord Chancellor – The Lord Irvine of Lairg, 56, £135,406
 Home Secretary – Jack Straw, 50, £60,000
 Education and Employment Secretary – David Blunkett, 49, £60,000
 President of the Board of Trade – Margaret Beckett, 54, £60,000
 Minister of Agriculture, Fisheries and Food – Dr Jack Cunningham, 57, £60,000
 Secretary of State for Scotland – Donald Dewar, 59, £60,000
 Secretary of State for Defence – George Robertson, 51, £60,000
 Secretary of State for Health – Frank Dobson, 57, £60,000
 President of the Council and Leader of the House of Commons – Ann Taylor, 49, £60,000
 Secretary of State for National Heritage – Chris Smith, 45, £60,000
 Secretary of State for Social Security – Harriet Harman, 46, £60,000
 Secretary of State for Northern Ireland – Marjorie Mowlem, 47, £60,000
 Secretary of State for Wales – Ron Davies, 50, £60,000
 Secretary of State for International Development – Clare Short, 51, £60,000
 Lord Privy Seal and Leader of the House of Lords – The Lord Richard, 64, £77,963
 Chancellor of the Duchy of Lancaster – David Clark, 57, £60,000
 Minister of Transport – Gavin Strang, 53, £60,000
 Chief Secretary to the Treasury – Alistair Darling, 43, £60,000

DEPARTMENTS OF STATE AND MINISTERS

AGRICULTURE, FISHERIES AND FOOD

Minister of Agriculture, Fisheries and Food – Jack Cunningham
 Minister of State – Jeff Rooker, 55, £31,125
 Parliamentary Secretaries – Elliot Morley, 44, £23,623
 Lord Donoughue, 63, £23,623

Agenda: Lifting the ban on beef exports – meeting on Monday in Brussels; setting up independent Food Standards Agency; stopping quota – hopping over fish.

DEFENCE

Secretary of State – George Robertson
 Minister for Defence Procurement – Dr John Reid, 49, £31,125
 Minister for the Armed Forces – Dr John Gilbert, 70, £31,125
 Parliamentary Under-Secretary – John Spellar, 49, £23,623

Agenda: Strategic defence, security, and spending review. Retention of Trident, although nuclear weapons to be included in multilateral negotiations "when satisfied with verified progress towards our goal of global elimination".

EDUCATION AND EMPLOYMENT

Secretary of State – David Blunkett
 Minister for Employment and Disability Rights – Andrew Smith, 46, £31,125
 Minister for School Standards – Stephen Byers, 44, £31,125
 Minister for Education and Employment – Baroness Blackstone, 54, £31,125
 Parliamentary Under-Secretaries: Standards – Estelle Morris, 44, £23,623
 Life-long learning – Dr Kim Howells, 50, £23,623
 Welfare to work – Alan Howarth, 52, £23,623

Agenda: Two of Labour's five election pledges have to be fulfilled: the promise to cut class sizes to 30 or under for 5-, 6- and 7-year-olds, linked to the abolition of the assisted places scheme, and getting 250,000 under-25s off benefit and into work. Other priorities include implementation of Social Chapter and Sir Ron Dearing's review of higher education to be released in June or July.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Secretary of State – John Prescott
 Minister for the Environment – Michael Meacher, 57, £31,125
 Ministers of State: Local Government – Hilary Armstrong, 51, £31,125
 Regions, regeneration and planning – Dick Caborn, 53, £31,125
 Parliamentary Under-Secretaries: London and construction – Nick Raynsford, 52, £23,623
 Transport in London – Glenda Jackson, 60, £23,623
 Not yet designated – Angela Eagle, 36, £23,623
 Roads – Baroness Hayman, £23,623

Agenda: To promote use of public transport, and curb the car culture. To introduce a new rail authority to ensure more effective regulation of the railways. New public/private partnership to improve London Underground. Review of vehicle excise duty, and partnership with car industry to promote low-emission vehicles. Environmental objectives include tax penalties for pollution and creation of new green taskforce of unemployed to clean up environment and wildlife sites.

FOREIGN AND COMMONWEALTH OFFICE

Foreign Secretary – Robin Cook
 Minister for Europe – Doug Henderson, 47, £31,125
 Foreign Office Minister of State – Derek Fatchett, 51, £31,125
 Foreign Office Minister of State – Tony Lloyd, 47, £31,125
 Parliamentary Under-Secretary – The Baroness Symons of Vernham Dean, £23,623

Agenda: Rapid completion of single market in Europe. High priority is enlargement of the union, reform of CAP, retention of veto on key national interest issues in Europe, and signing of social chapter. Press for reform of UN, including resolution of funding crisis.

HEALTH

Secretary of State – Frank Dobson
 Ministers of State: Minister for Public Health – Tessa Jowell, 49, £31,125
 Health Minister of State – Alan Milburn, 39, £31,125
 Health Minister of State – Baroness Jay of Paddington, 57, £31,125
 Parliamentary Under-Secretary – Paul Boateng, 45, £23,623

Agenda: Abolition of the internal market, with first £100m saved to take 100,000 off waiting lists. No wait for cancer surgery. Annual real-terms increase in NHS spending. Action on mixed-sex wards. Ban on tobacco advertising. Independent food standards agency.

HOME OFFICE

Home Secretary – Jack Straw
 Ministers of State: Criminal policy – Alun Michael, 53, £31,125
 Prisons, probation, Europe – Joyce Quin, 52, £31,125
 Parliamentary Under-Secretaries: Deregulation, drugs, elections – George Howarth, 47, £23,623
 Immigration and nationality – Mike O'Brien, 42, £23,623
 Constitutional issues – The Lord Williams of Mostyn, 56, £23,623

Agenda: The Home Office will be implementing a fast-track punishment for persistent young offenders by halving the time from arrest to sentencing. The Labour manifesto also includes a pledge to introduce parental responsibility orders, to make



parents children face up to child's misbehaviour, community safety orders for bad neighbours and child protection orders for youngsters left out too late at night. Also the Labour Party has promised a free vote on the ban of handguns.

INTERNATIONAL DEVELOPMENT

Secretary of State – Clare Short
 Parliamentary Under-Secretary – George Foulkes, 55, £23,623

Agenda: Defining department's sphere of influence in relation to DTI. Restructuring aid programme.

CABINET OFFICE

Chancellor of the Duchy of Lancaster – David Clark
 Minister without Portfolio – Peter Mandelson, 43, £31,125
 Parliamentary Under-Secretary of State: Office of public service – Peter Kilfoyle, 50, £23,623

Agenda: Ensure government and administration is run efficiently. Better co-ordination of government policy through new role given to Peter Mandelson. Cleaning up Parliament and politics and working with Nolan Committee.

LAW OFFICERS

Attorney General – John Morris QC, 66.

Solicitor General – Charles Falconer QC, 45
 Lord Advocate (Scotland) – Andrew Hardie QC (to be made a Lord), 51, £78,072
 Solicitor General for Scotland – Colin Boyd QC, 43, £66,811

Agenda: Reform of Crown Prosecution Service.

LORD CHANCELLOR'S DEPARTMENT

Lord Chancellor – Lord Irvine of Lairg
 Parliamentary Secretary – Geoff Hoon, 44, £23,623
 Agenda: Bill of Rights, to incorporate European Convention on Human Rights. Review of civil justice and legal aid.

NATIONAL HERITAGE

Secretary of State for National Heritage – Chris Smith
 Minister for Film and Tourism – Tom Clarke, 56, £31,125
 Parliamentary Under-Secretaries: Arts – Mark Fisher, 52, £23,623
 Sports – Tony Banks, 54, £23,623

Agenda: Review of allocation of lottery funds. Review of millennium projects. Establishment of a National Endowment for Science and the Arts to sponsor young talent.

NORTHERN IRELAND OFFICE

Secretary of State for Northern Ireland – Mo Mowlem
 Ministers of State: Security, police, criminal justice, prisons, economic development – Adam Ingram, 50, £31,125
 Political development, finance, personnel, information – Paul Murphy, 48, £31,125
 Parliamentary Under-Secretaries of State: Education, Training and Employment, Health, Community Relations – Tony Worthington, 56, £23,623
 Environment, Agriculture – Lord Dubs, 65, £23,623

Agenda: The new team will continue to try and get the peace process back on track. They have to prepare for Mo Mowlem's first major appearance, which will be at the all party talks at Stormont on 3 June. Another priority is to stop the marching season, which starts at the end of May, erupting into violence.

PRIVY COUNCIL OFFICE

President of the Council and Leader of the Commons – Ann Taylor
 Lord Privy Seal and Leader of the Lords – Lord Richard

SCOTTISH OFFICE

Secretary of State for Scotland – Donald Dewar
 Ministers of State: Home affairs and devolution – Henry McLeish, 48, £31,125
 Education and industry – Brian Wilson, 48, £31,125
 Parliamentary Under-Secretaries: Agriculture, environment and fisheries – Lord Sewell, £23,623
 Health and arts – Sam Galbraith, 51, £23,623
 Local government and transport – Malcolm Chisholm, 48, £23,623

Agenda: To set up the machinery for a referendum on devolution in Scotland before the autumn of this year. The parliament will have law-making powers, defined and limited financial powers to vary revenue.

SOCIAL SECURITY

Secretary of State for Social Security and Minister for Women – Harriet Harman
 Minister of State for social security and welfare reform – Frank Field, 54, £31,125
 Parliamentary Under-Secretaries: Keith Bradley, 46, £23,623
 Baroness Hollis of Heigham, 55, £23,623
 John Denham, 43, £23,623

Agenda: Implementing the 'welfare to work' programme. Creation of Special Employment Zones to co-ordinate benefits, training and job-hunting. Review how to pay for long-term care of the elderly. The DSS also have to crack down further on tax avoidance, which costs an estimated £2bn a year.

TRADE AND INDUSTRY

President of the Board of Trade – Margaret Beckett
 Ministers of State: Trade – Lord Clinton-Davis, 68, £31,125
 Competitiveness – Ian McCartney, 46, £31,125
 Industry, energy, science and technology – John Battle, 46, £31,125
 Parliamentary Under-Secretaries: Consumer affairs – Nigel Griffiths, 41, £23,623
 Small firms and regional policy – Barbara Roche, 43, £23,623
 Minister for trade and competitiveness in Europe Sir David Simon

Agenda: Implementation of the various parts of the social chapter. Setting up the minimum wage councils.

TREASURY

Chancellor of the Exchequer – Gordon Brown
 Chief Secretary to the Treasury – Alistair Darling
 Paymaster General (private finance) – Geoffrey Robinson, 58, £31,125
 Financial Secretary – Dawn Primarolo, 43, £31,125
 Economic Secretary – Helen Liddell, 46, £31,125

Agenda: The incoming government will hold its first budget within two months of coming into power. They have pledged they will be announcing the windfall levy for the welfare to work programme and cut VAT on fuel to 5 per cent. The Treasury also has to appoint two new committees, firstly a Monetary Policy Committee to advise the newly independent Bank of England, and a Council of Economic Advisers to advise the Treasury itself on economic matters. The treasury is also committed to boosting growth in order to raise investment.

WELSH OFFICE

Secretary of State for Wales – Ron Davies
 Parliamentary Under-Secretaries: Win Griffiths, 54, £23,623
 Peter Hain, 47, £23,623

Agenda: The Labour manifesto commits the government to a referendum on Welsh devolution "no later than the autumn of 1997". The Welsh assembly will provide democratic control of the existing Welsh Office functions. Its aim is that the assembly will replace a tier of quangos with the directly elected body.

WHIPS

Parliamentary Secretary to the Treasury and Chief Whip – Nick Brown, 46, £36,613
 Treasurer of Her Majesty's Household, Deputy Chief Whip – George Mudie
 Comptroller of Her Majesty's Household – Thomas McAvooy
 Vice Chamberlain of Her Majesty's Household – Janet Anderson
 Lord Commissioners – Robert Ainsworth, Graham Allen, James Dowd, John McFall, Jon Owen Jones

Assistant whips – Clive Betts, David Clelland, Kevin Hughes, David Jamieson, Jane Kennedy, Greg Pope, Bridget Prentice

Captain of the Gentlemen at Arms – Lords Chief Whip – The Lord Carter

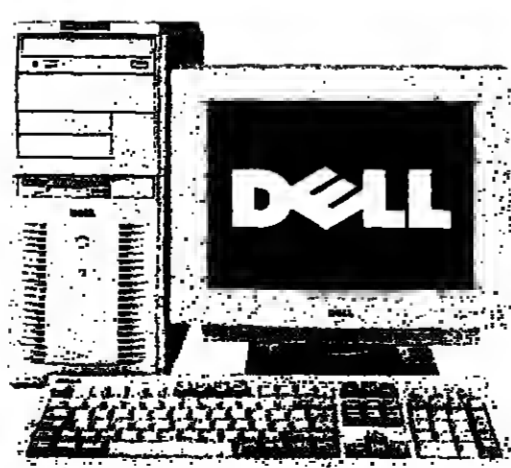
*Mr Blair has indicated that he will not take the full salary to which he is entitled.

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blair's britain

Humility matters, Blair tells MPs

Anthony Bevins
Political Editor

An appeal for humility, discipline and high personal standards was delivered to Labour MPs by Tony Blair yesterday in a welcoming speech in which he reminded his party: "The people are the masters."

Implicitly repudiating the clarion-call of the 1945 Labour landslide, from Labour MP Harley Shawcross - "We are the masters ... for a very long time to come" - the Prime Minister said: "We are not the masters ... We are the servants of the people."

"We will never forget that, and if we ever do, the people will soon show that what the electorate give, the electorate can take away."

With 418 ministers and MPs now entitled to attend meetings of the Parliamentary Labour Party, yesterday's inaugural session of the PLP was held in Westminster's Church House, because there was no Commons committee-room large enough to hold them all.

Mr Blair said that one of the lessons of last week's victory was the importance of strength, unity and discipline.

"Look at the Tory party now," he said. "Pause, reflect, then vow never to let us emulate them."

"Day after day, when they were in government they had MPs out there, behaving with the total indiscipline and thoughtlessness that characterised us in the early 1980s. Where are they now, those great rebels? When the walls came crashing down beneath that tidal wave of change, there was no discrimination between the Tory MPs. They were all swept away, the rebels and loyalists alike."

"Of course, speak your

minds. But realise why you are here: you are here because of the Labour Party, under which you fought."

There was applause at that point in Mr Blair's speech, and he returned to the theme later, after the press and media had left the meeting, saying: "The coming period will be a test of character. There is no time or opportunity for self-indulgence. We must be disciplined at all times."

He also called on his colleagues to set themselves high personal standards of conduct. "Remember, too," he said, "that you are not here to enjoy the trappings of power but to do a job and to uphold the highest standards in public life. You are all ambassadors for New Labour and ambassadors for the Government."

Mr Blair reminded them they were also in Parliament - and power - to deliver the Labour "contract with the people", keeping the manifesto promises made on education, health, jobs, economic stability, crime, the welfare state, the environment, political sleaze and the pledge of leadership in Europe. Before the Prime Minister spoke, some MPs oiled the words carved into the wall around the domed chamber - "Holy is the true light and passion, wonderful, lending radiance to them that endured in the heat of the conflict from Christ they inherit a home of unfading splendour, wherein they rejoice with gladness evermore."

While Dennis Skinner was the lone MP not to give Mr Blair a standing ovation, on principle, he did applaud and at the very end he grinned at Mr Blair and gave him a thumbs-up, which the new Prime Minister acknowledged with a broad grin of thanks.

Cup Final feeling for new boy in the House



Journey's end: John Grogan (left) and Lawrie Quinn are interviewed in the back of a cab. Photograph: Adrian Dennis

Fran Abrams
Political Correspondent

As the taxi nudged down Whitehall a 12-year journey was coming to an end for Labour's first MP for Selby in North Yorkshire. When John Grogan, now 36, was first selected to fight the seat it had a Conservative majority of 20,000. He almost gave up after his second attempt in 1992, but the thought of Labour winning it without him sent him back for just one more try.

And it paid off. Yesterday morning, in response to a command from the whips' office, he was on the 7am train from Leeds with the equally new and surprised Labour MP for Scarborough and Whitby, Lawrie Quinn.

"I always feel about seven-years-old when I come to London," Mr Grogan said as Horse Guards Parade inched into view. "I associate it with cup finals and excitement. Being an MP and mildly important myself is a great thrill."

He admits to finding it all a bit daunting. But he thinks the best way is to take it steady, not to try to walk before he can run. Tony Blair's government can muddle through perfectly well while he gets an office, a secretary and somewhere to live.

As he spoke, and with impeccable

timing, his brand new pager went off for the first time. It was Michael Meacher's office. Could he come in to see the environment minister tomorrow morning about a local issue on which he has already been lobbying? Perhaps hiring the secretary will have to wait a day or two.

"I do feel excited and a little bit nervous ... you think, 'can I do this?' Losing almost becomes a way of life. You campaign, you lose an election, then you go and do something else," he said.

At 5am last Friday, after a long night, Mr Grogan knew that this time it was going to be different. The Tories' 9,000 majority in Selby was now a 3,800 Labour majority.

Yesterday his tasks were relatively simple. Do a short interview with Radio York in the cab, get a security pass, hear a speech by Tony Blair, meet the Yorkshire Post and watch the re-election of the Speaker of the Commons.

He began to talk about all the things he must do - in particular, working to build up his local party. "It's pointless to say I won because I shook 10,000 hands. I won because of the Blair effect and the modernisation of the Labour Party," he said, adding: "I'd better admit I'm grown up now," before heading for the House of Commons to talk office space.

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DAILY POEM

Quiet Night In

By Roddy Lumsden

*My first in seven years (illness aside):
I mope about the house; I want to talk
and talk until I say one thing I mean.*

*I run through fifty States, all thirty-seven
Shakespeare plays, the Beatles' Number Ones,
nicknames and grounds of ninety-two league teams.*

*So used to having sleep's skin peeled for me,
I can't bite in. An hour before the dawn,
I drink the soft sleep of the sober man,*

*but in that sleep, the little people take
my fingernails and toenails for their saucers;
my thick hair stuffs a mattress for their queen.*

Roddy Lumsden, born in 1966, made a living in Edinburgh "by playing quiz machines and working as a quizmaster" before winning a Scottish Arts Council bursary and becoming writing fellow for the City of Aberdeen. This poem comes from his first collection, *Yeah Yeah Yeah*, published today by Bloodaxe Books (£7.95).

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Dorrell and Clarke in deal to stop right wing

Colin Brown
Chief Political Correspondent

A pact between supporters of Stephen Dorrell and Kenneth Clarke was emerging last night to stop the frontrunners for the Conservative Party leadership, Michael Howard and William Hague.

The Dorrell supporters were privately working on a strategy of combining with the Clarke camp to maximise their support for the second ballot, although there was speculation at Westminster that Mr Dorrell may be forced to pull out, if he fails to win enough clear support for the first round.

He presented himself as a centre-right candidate yesterday but clearly staked out the middle ground in a letter to all Tory MPs, saying that he wanted to "rebuild the Conservative coalition" among business, farmers, nurses, teachers, savers, pensioners, and young mothers - all of whom were alienated to some degree during the 18 years of Tory rule.

Mr Hague tried to put behind him the dithering over his aborted pact with Mr Howard and launched his own campaign for the leadership on the slogan "A fresh start". He underlined

his youthful appeal - at 36 he is the youngest in the field - by hosting a breakfast press conference in the marble and glass atrium of a designer restaurant at Westminster.

The only one of the six contenders to appear with a specially designed platform, with "A fresh start" graphics, Mr Hague was supported by a handful of Tory MPs, including a member of the new intake, the journalist Julie Kirkbride. He shrugged aside suggestions that he was too young. "By my age, William Pitt was nearly on his death bed."

Accepting the blame for backing out of the deal with Mr Howard, under whom Mr Hague would have been deputy leader and chairman of the party, he said: "I thought on reflection... that if I'm good enough to be offered those things, I'm good enough to stand as a leadership contender."

"I have been undecided at the weekend over whether to stand. It is a big step for someone of my age and my stage of life. I am 36 years old and getting married and so on... But in the end I decided, given the number of people who have said to me 'you must stand because you are our best hope of winning the next general election', that it

was right to go ahead and do so." He is accused by the right of being John Major's heir apparent. One John Redwood supporter said: "He's John Major with a PPE degree."

If Mr Howard beats him for the leadership, Mr Hague may have an eye to replacing him after the next election. "The Conservative Party is unique in the ability to be ruthless with its leaders when it wants to be. That is one of the historic advantages of the Conservative Party," Mr Hague said. His campaign headquarters is temporarily based in the Westminster offices of Jonathan Sayeed, a re-elected Tory MP and businessman. His campaign manager is James Arthuro, a former defence minister.

He matched Mr Howard's pledge to oppose the European single currency, and mentioned the "M" word, for modernisation, but denied he was proposing to make the Tory party more Blairite. "We are living in a Conservative country that has temporarily got fed up with the Conservative Party. That is what we have to change and that means standing up for our traditional beliefs, our basic principles, something which is in tune with the country, but having a fresh start in communicating it."



Mobilising support: Stephen Dorrell, who was presenting himself as a centre-right candidate yesterday

Photograph: John Voss

Cabinet that is a shadow of its former self

Colin Brown
Chief Political Correspondent

Kenneth Clarke yesterday wandered behind the Speaker's Chair in the House of Commons in search of the Shadow Cabinet room and asked: "Is this the way?"

It had been 18 years since a Conservative Leader of the Opposition, Margaret Thatcher, had met with her team in the Shadow Cabinet room, and they did not know the way.

Those who survived last Thursday's rout at the polls were called to the meeting by John Major as, barely half a mile away, Tony Blair welcomed his victorious troops to a mass meeting with tumultuous applause.

They tramped into the Shadow Cabinet room to begin the slow process of rebuilding their party. They did not bother to rake over the ashes of their defeat. With seven of their number lost, including Michael Portillo, Malcolm Rifkind, and Michael Forsyth, they dispensed with a painful inquest.

Mr Major found himself surrounded by the contenders for his job. The party chairman, Brian Mawhinney, and former Chief Whip, Alastair Goodlad were among the first to arrive.

Next were the leadership challenger Peter Lilley, former secretary of state for social security, and Gillian Shephard, the former secretary of state for education and em-

ployment, who threw her support behind him.

Other contenders for the leadership - Stephen Dorrell, former secretary of state for health, the ex-home secretary, Michael Howard, and the former secretary of state for Wales, William Hague - followed.

The former Chancellor, who had been an Opposition spokesman before but not a member of the Shadow Cabinet, looked a little lost and was the last in. It had echoes of the great defeat after the 1945 election, when Shadow Cabinet members sometimes gathered in their favourite watering hole, the Carlton Club, to keep up the spirits.

Mr Blair and his team had been slow to vacate the room for the shadow leader and his team, but they had cleared the last traces of Labour's occupation of the rooms.

Mr Major told his colleagues that he would be acting as caretaker leader for a short while, until a successor had been selected, then he would retire to the backbenches.

In the meantime, he would not be attempting to reshuffle the Shadow Cabinet, which would be the hands of the next leader. Mr Major will take on the role of shadow foreign secretary and defence secretary, vacated by Mr Rifkind and Mr Portillo. Others around the table were told they might have to double up their portfolios.

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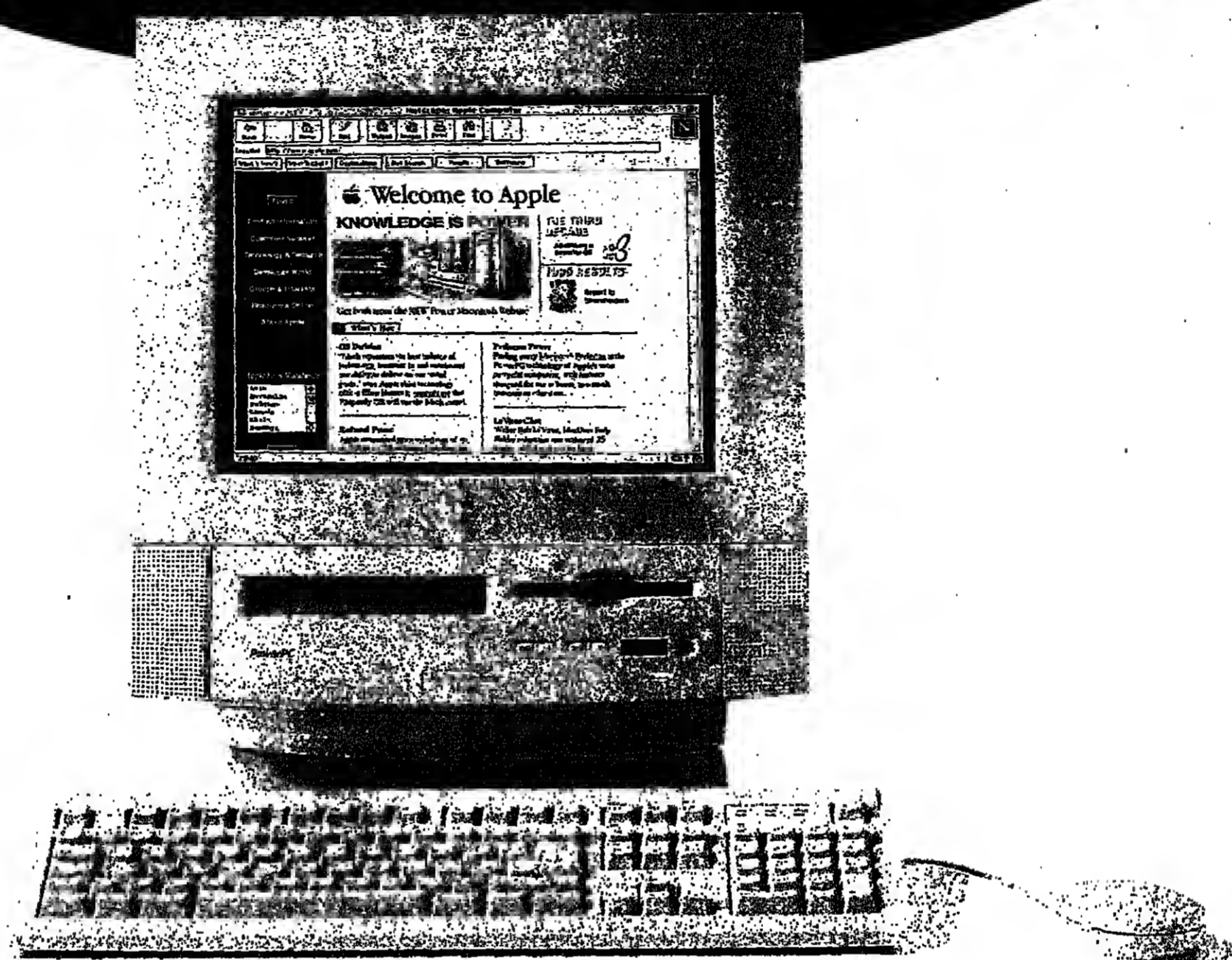


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Dorm life: Boarding schools are trying to shed their Tom Brown's Schooldays image
Photograph: May Evans Picture Library

Farewell to the dorm as boarding schools turn to sleep-overs

Judith Judd
Education Editor

The future of boarding schools may lie in repackaging themselves as "sleep-over" schools, according to a leading head.

Boarding has been in decline for a decade with numbers down from 125,000 in 1985 to 90,000 last year.

Ros McCarthy, head of Cobham Hall, Kent, and chairman of the Boarding Schools Association, says the answer may lie in more flexible boarding arrangements.

Some schools, she told the association's annual conference, now give pupils the chance to book one "sleep-over" a week which may be increased to three or five "as they get older and their enthusiasm grows".

Figures to be released next week by the Independent Schools Information Service, are expected to show that "occasional boarding", measured for the first time in the schools' annual census, is on the increase.

This may be known as "flexi-boarding", "opportunity boarding" or "Friday night boarding" for those whose parents wish to have a night together without their children.

Mrs McCarthy said: "Perhaps in this day and age we should adopt more user-friendly terms and become known as sleep-over schools. Children and parents understand this concept and find it very attractive."

Weekly boarding began 10 years ago and is often used by families where both parents are working. Flexi-boarding is an extension of this.

Full boarding has become increasingly unpopular with a generation of parents which is reluctant to send its children away from home. It has also suffered from cutbacks in the armed forces which have reduced by half the number of children receiving the Government's boarding school allowance.

Boarding schools have worked hard to shed their image of hard beds and cold showers and many have invested in

new accommodation.

Mrs McCarthy said: "One small boy looking at brochures of prep schools asked his parents, 'Is this a hotel for children?' For senior schools with their single rooms, en suite showers, sports centres, tennis courts and swimming pools, boarding is the wrong word. These are hotel facilities worthy of stars."

But Mrs McCarthy said they were still struggling against outdated ideas about boarding. "There are as many happy, well-adjusted children at boarding schools as at day schools. Schools of any kind can be good or bad so why the witch-hunt against boarding?"

A spokesman for the Independent Schools Information Service said that prep schools had been in the forefront of flexi-boarding, perhaps because the decline in full boarding had been particularly marked among younger pupils. "It must reflect a feeling among some parents that eight is a bit young to be sending

away children for long periods. Occasional Friday night boarding, he added, was convenient for those schools which wanted to keep Saturday school going.

He said: "This isn't a last desperate attempt by boarding schools to make themselves attractive. It is the other way round. This is what parents are asking for so schools are having to adapt what they do."

Education, The Tablet

Victim TV puts privacy at risk

Paul McCann
Media Correspondent

The growth of fly-on-the-wall "victim entertainment" programmes such as *Blues and Thins* about the emergency services is raising public concern that television is intruding into people's privacy, according to a survey yesterday.

Commissioned by the newly formed Broadcasting Standards Commission, the study found that viewers strongly believe that ordinary members of the public should have a right to privacy.

"Broadcasters are believed to be willing to flout accepted rules of conduct as far as privacy is concerned in order to make their programmes," the report said.

"Programmes of this type are undoubtedly popular with many viewers and represent a growing genre of reality-based programming," said the report. "Critically, one in three felt that individual privacy was threatened."

"People are very interested in these programmes, but they are ambivalent about this aspect of it," said the BSC chairwoman Lady Elspeth Howe.

However, the survey found that people believe holding some form of public position removes your rights to privacy. Comparing different public roles, the survey found that viewers believe the Royal Family should have greater rights to privacy than a school-teacher.

Only criminals were perceived to have fewer rights to privacy than politicians.

Like business people, they were deemed to have limited rights, depending on what they have been doing.

The findings will be a boost to documentary film-makers.

The BSC is currently drawing up a code of conduct on privacy that covers secret filming and the use of interviews. Documentary film-makers argue that there is a public interest which allows them to invade the privacy of some politicians, businessmen or criminals.

The BSC, which was formed on 1 April after the merger of the Broadcasting Standards Council and the Broadcasting Complaints Commission, conducted the survey to discover how social changes have affected people's views about television standards.

It found that only 5 per cent of people believed that anti-social behaviour such as violent crime was caused by television.

Instead it found that people thought it could contribute to "unsocial" behaviour such as swearing in children and a lack of respect that could lead on to anti-social behaviour.

The majority of respondents claimed that the media has more influence on the behaviour of children now than it did when they were growing up.

Most thought television had three times the influence on children that it used to have. "They go to school and come home with their shirt hanging out," said one of the people surveyed.

"You see that in *Neighbours* - in *Neighbours* they go to school with their shirt hanging out, so our kids start doing it."

"It's only small things, but how far away are they from more serious things? That's what worries me."

It also found that around 60 per cent of the population are in favour of some form of regulation for television compared with only 16 per cent who believe that "anything goes".

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High hopes: A rock-climber in Sardinia's Gennargentu region, which the World Wide Fund for Nature is promoting in the hope that it will be granted natural-park status in order to protect the environment of the sparsely inhabited island

Photograph: Paolo Cocco/Reuters

Paris and Bonn hail Britain as equal partner

Donald MacIntyre
and Inna Karaca
Bonn

Robin Cook claimed a place for Britain in the leadership of Europe yesterday, and pledged that Tony Blair would reach agreement with his partners on European Union reform.

"We want to draw a line under the sterile and negative confrontation of the past," he told the German Foreign Minister, Klaus Kinkel.

In a high profile trip to Paris and Bonn, his first since becoming Foreign Secretary only five days ago, Mr Cook identified key areas of potential agreement between the UK and its EU partners which he was optimistic would pave the way for a deal at the European summit in Amsterdam next month.

Mr Cook was also emphatic that he saw no reason for such a pact to cover foreign and security policy - where the Labour government will insist on retaining its veto. Such a deal, he said, would undermine the international influence of the union as a trading bloc.

There are strong signs, reinforced in Mr Cook's discussions in Paris at the Quai d'Orsay, the French Foreign Office, yesterday, that Britain's partners are moving to an accommodation on the issue of border controls which recognises the special status of both the UK and Ireland as islands. And while insisting that Britain wanted progress in securing reform of fisheries quota-hopping, Mr Cook conspicuously refrained from repeating the Conservative administration's explicit threat to sabotage the IGC if it did not get full agreement on the issue next month.

Mr Cook repeatedly drew a distinction between the new government's stance of "constructive engagement" with that of the previous one which had staged a confrontation which had been going "nowhere in Europe except towards the exit door".

Mr Cook was accorded a warm welcome in both capitals after declaring "we are committed to making Britain a leading player in Europe and that is why it is right that I should begin by visiting the other two big players in Europe. We want to make sure that from now on there are three players in Europe, not just two."

While emphasising the importance of Bonn's relationship with the new government, Mr Kinkel sounded a slightly more cautious note last night, saying it would not be right to talk of a "triangular relationship" between London, Paris and Bonn. But the Paris end of the Franco-German axis welcomed the idea of involving London in a "triangle".

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FBI launches inquiry into Israeli mole

A top United States official may have supplied Israel with highly sensitive information that the State Department wanted kept secret, according to a report in yesterday's *Washington Post*, which said the FBI had launched an investigation to discover the official's identity.

The inquiry is said to have been opened in January after US security officials intercepted a telephone conversation between an Israeli official in Tel Aviv and a senior Israeli agent in the US. The conversation referred to a third man by what appeared to be his codename, "Mega". According to the intercept, the Israeli official wanted Mega to supply a copy of a top-secret letter, sent by the then US Secretary of State, Warren Christopher, to Yasser Arafat, setting out US guarantees in the Palestinian leader in the eye of the Israeli withdrawal from Hebron. The request appeared to reflect Israel's suspicion that the US was dealing on Hebron behind its back.

Mary Dejevsky - Washington

Greece stands firm on Marbles

Convincing Britain to return the 2,500-year-old Parthenon marbles "is a basic tenet of Greece's cultural foreign policy," the Culture Minister, Evangelos Venizelos, said in a statement, after Britain's new Labour government flatly refused to send them back to Greece. "We... are speaking with the voice of the monument," he added.

AP - Athens

Marseille godfather shot dead

One of the last godfathers of the Marseille underworld was shot dead with his companion in a parking lot, police said. They added that a couple shot Jean Toci, 64, and his companion, Berthe Cremieux, from a passing car outside a supermarket at Istres, near Marseille.

Reuters - Marseille

Winnie Mandela to testify

South Africa's "truth commission" investigation into apartheid-era crimes said it would probably call Winnie Mandela, the former wife of President Nelson Mandela, to testify about two missing children.

Reuters - Capetown

£2,000 redress for prostitute

Sandy van der Toorn, a woman convicted of prostitution, was awarded 15,000 rand (£2,000) by the South African Civil Court because she was not allowed to get dressed while police searched her home.

AP - East London

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Bonn ain as artner

Taste of English beer to pull the Peking crowds

Peking — Hong Kong may be returning to China in 54 days, but a small corner of the People's Republic will be forever English. No, I am not talking about Her Majesty's embassy, but the John Bull pub in Peking, due to open in 3 days time.

Complete with a real Victorian fireplace, litroasta wallpaper, steak and kidney pie, and a bookshelf of English classics, this is billed as the first English pub in China. It may or may not also be part of the Chinese government's current "spiritual civilisation" campaign.

Here is an English pub built by English craftsmen. They use a hell of a lot of tiles in China, but they had never seen anyone like Paul who can put tiles up so quickly and in such a professional way," said Simon Kepp, overseas development manager of Allied Domecq, the drinks and pubs group which believes that China is finally ready for an English pub.

Yesterday master-tiler Paul Routley, one of seven English craftsmen flown in from Birmingham, was putting the final touches to John Bull's washroom tiling under the watchful eye of the Chinese labourers. "I've come from Birmingham to a place like China. I mean it's a big shock a culture shock," he said. "But after a few days, you could be working anywhere."

"The Chinese are really good, we get on really well. We're talking in broad Brummie accents and they are jabbering away in Chinese, and we're laughing and joking, and we know what we're laughing about — but that's builders for you." He has taught the locals a thing or two as well. "They were really surprised when I started to fix the tiles using adhesive," he said.

The signs outside the John Bull promise "Authentic Victorian comfort imported from England" and "Genuine pub atmosphere" when the Sino-British joint venture opens at the end of this month. The pub's interior was shipped in from the

China's capital is to get its first taste of an authentic pub. Teresa Poole reports



Home comforts: the John Bull in Sopron, Hungary

"I've come from Birmingham to a place like China. It's a big culture shock."

UK, and assembled on site. "As soon as you walk through that door, with the exception of a few faces behind the bar, everything else will be authentically British," said Mr Kepp. And that includes everything from the yellow ochre lustrous and cricketer memorabilia on the walls. "We've gone for an Eng-

lish sporting theme," said Mr Kepp. A bit of true British pub etiquette will also be promoted. "We'll encourage people to go to the bar to buy a pint and come back and sit at the table." Upstairs yesterday, two dozen Chinese trainee bar-staff were being put through some authentic phrases: "Glenfiddich, Johnny Walker, Bell's, Grants..." they repeated in unison. And then it was off for "beer knowledge" at the local Fosters office. "how beer is made, appreciation between different beers, bitters, ales, lagers. And then they are going to do a taste test," explained Andrew Clapton, the man who will be Peking's first publican.

Mr Clapton, a 33-year-old authentic New Zealander, is fresh from running the Pharos & Firkin in Fulham, London, for four years. "I'll be here behind the bar a lot," he said. He likes the local Peking beer, but customers will also be able to wash down their pub grub — fish and chips, bangers and mash and other "standard British fare" — with real imported English draught beer.

At nearly £3 a pint, it will not be within the grasp of the average Chinese drinker, but the pub is nevertheless targeting the local market. "We're looking for the aspirational local Chinese," said Mr Kepp. Don't they tend to prefer karaoke? "They are moving on from karaoke now, they are getting more sophisticated," he insisted. Does this extend to warm beer? "We'll be serving our beer at the appropriate temperature," ensured Mr Kepp.

Allied Domecq, which owns more than 4,000 pubs in the UK, has already branched out with pubs in eastern Europe. This is its first pub venture in Asia, apart from one inside Bangkok airport. But can one really build an authentic English pub abroad? Mr Routley has explored one or two local Chinese bars and found them "OK, but nothing special". Coming back to the John Bull, he says, is "like coming back home".



State of collapse: Nguyen Thi Lua, wife of defendant Vu Xuan Truong, is supported in a Hanoi court during the trial of the country's biggest drugs ring involving 22 people, including 11 police and border guards. Photograph: Reuters

Kasparov gets the blues in half-time draw

William Hartston

The world chess champion, Garry Kasparov, gave another unconvincing performance against the IBM supercomputer Deep Blue, when he drew the third game from a clearly superior position. Scores therefore remain level at one win each with one draw at the halfway stage of the match. The result of the third game, however, was considerably overshadowed by what happened in the aftermath of Deep Blue's victory in game two.

When that game ended, there was general agreement that Kasparov had been convincingly outplayed. But after feverish argument among the grandmasters at the match in New York, the inescapable conclusion was that Kasparov's resignation had been premature. For he had overlooked a resource that would have enabled him to salvage a draw.

To add to the indignity, one of the computer's programmers appeared on stage at the Equitable Center to announce that Deep Blue itself had confirmed that Kasparov could have saved the game. Kasparov was quoted as saying: "It played so brilliantly I didn't think to check it."

The theme of man's intimidation by machine continued in the third game. By an unusual choice of opening moves, Kasparov got the machine out of its vast library of analysis. Left to its own resources, Deep Blue left itself with a passive position. Kasparov sacrificed a pawn to obtain what looked like a complete grip, but seemed to lose confidence. Rather than continue his attack, he exchanged his best-placed piece to regain his pawn, leaving himself with insufficient advantage to have any serious chance of a win. When Kasparov offered a draw, Deep Blue's team accepted with alacrity.

Before this match, Kasparov was known as a man of supreme self-confidence who never overlooked tactical resources. But the past two days have shown that he has been severely rattled by this machine that can think at up to three billion moves a second.

The Tabloid, page 22

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Swiss savaged in US report on Nazi gold

Mary Dejevsky
Washington

The United States yesterday accused Switzerland of having prolonged the Second World War and caused thousands of needless deaths by dealing in plundered gold on behalf of Nazi Germany. It also condemned post-war US administrations for not trying hard enough to recover gold that had belonged to European Jews.

The accusations were in a report, compiled by 11 US government agencies, which also confirmed Jewish suspicions that some "Nazi" gold held in Swiss banks contained jewellery, coins and dental fillings removed from concentration-camp victims. These had been combined with gold looted from banks and melted to disguise their origins.

The report absolved Switzerland and other neutrals of

knowingly accepting this "tainted" gold: "No proof has been found that the countries to which Germany traded gold robbed by persecutees knew of the origin of such gold."

Definitive proof of the gold's origins was apparently obtained by the US three weeks ago from records of the Reichsbank that had been thought lost.

The report was commissioned by President Bill Clinton and is the result of seven months' work. It was overseen by Stuart Eizenstadt, Under-Secretary for Commerce, who set out to establish what was known about Switzerland's dealings in plundered gold and to consider the role of neutral countries and the US during and after the war.

In a forceful introduction, Mr Eizenstadt said: "In the unique circumstances of World War Two, neutrality collided with morality: too often, being neu-

tral provided a pretext for avoiding moral considerations." The report said that from 1939 to 1945 Germany transferred \$400m of gold (worth £2.4bn today) to the Swiss National Bank in Bern. Three-quarters of it was stored; the rest was sent to third countries to pay for goods and raw materials.

The report noted that many neutrals dealt with the Nazis for fear they would be invaded but it also cited the profit motive. It accused Switzerland and other neutral countries of ignoring "repeated Allied entreaties to end their dealings with Nazi Germany" and said that whatever their motivation, their action in continuing to trade "had the clear effect of supporting and prolonging Nazi Germany's capacity to wage war. Most inexplicable was the persistence of a 'business-as-usual' attitude by Switzerland."

On the attitude of the US at

the end of the war, the report spoke of a "demonstrable lack of senior-level support for a tough US negotiating position with the neutrals".

But it also quoted US records from the time as saying that if Sweden's attitude was "intransigent", the attitude of Switzerland was "intransigence cubed". The Swiss negotiating team was said to have used "legalistic positions to defend their every interest, regardless of the moral issues also at stake".

The US released its report the day after the British Foreign Office published a report admitting some of the Nazi gold in the Bank of England may have come from camp victims. Publication, coinciding with the arrival of Robin Cook at the Foreign Office, was accompanied by an announcement that London would host a conference to determine what should be done with the gold.



Changing times: A Calvin Klein advert in Moscow is covered by a poster marking Victory Day celebrations tomorrow celebrating the 52nd anniversary of Russia's Second World War defeat of Germany. Photograph: AFP

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Clinton visit to Mexico raises wave of protest

It was Mexico's equivalent of the Alamo. As American forces stormed Mexico City's Chapultepec Castle 150 years ago, a group of teenage Mexican military cadets made a last stand. The six last survivors, one of them wrapped in Mexico's tricolor flag, hurled themselves over the ramparts rather than surrender.

In a gesture of reconciliation a century and a half after the neighbours' three-year war, US President Bill Clinton laid a wreath on Tuesday at the castle site known as the Niños Heroes (Boy Heroes) monument.

The 1847 battle, and the Mexican-American war in general - in which 50,000 Mexicans died and the nation lost what are now Southern California, Arizona, New Mexico, Texas and parts of Nevada, Utah and Colorado - left a deep wound on the Mexican psyche.

That was part of the reason several hundred Mexicans protested Mr Clinton's first official visit to his southern neighbour, burning an American flag and yelling "Yankee go home!" More specifically, they were angered by Mr Clinton's support for President Ernesto Zedillo's Institutional Revolutionary Party (PRI), a long-ruling monster most resembling the old Soviet communist party but with little discernible ideology other than to cling to power.

Many Mexicans blame successive US governments for allowing the PRI to retain power for almost seven decades, traditionally through fraud, in the interests of regional stability but at the expense of democracy and human rights.

In a report last week, the US-based group Human Rights Watch/Americas slammed the Mexican government and the PRI for what it called widespread violence against peasants and political opponents throughout southern Mexico.

Also last week, 12 European tourists were expelled from Mexico simply for following a colourful anti-government protest march by Chol Indians in the state of Chiapas.

Mr Clinton attempted to offset criticism of pro-PRI bias through historic meetings - no US president had ever done so - with two opposition leaders from both the left and the right of the PRI. The two parties, the catholic and conservative National Action Party (PAN) and the social-democratic Party of the Democratic Revolution

President meets criticism of bias towards ruling party, writes Phil Davison

(PRD) have gained ground in recent years as outside pressure forced the PRI to jettison, slowly and reluctantly, some of its old fraudulent habits and edge at least in the direction of democracy.

But Mexican analysts noted that Mr Clinton gave only 15 minutes each to the opposition leaders and said the PRI's continuing control of much of the press - including through cash payments and perks to political reporters - would ensure that Mr Zedillo would benefit most

Tourists were expelled simply for following in anti-government demonstration in Chiapas

from Mr Clinton's visit, his first as President to any Latin American nation.

It was no coincidence, these analysts say, that Mr Zedillo wanted the US President in town before crucial congressional and local elections in July. For the first time, pundits are predicting the PRI could lose a congressional majority. Also at stake is the new, elective post of Governor of Mexico City, replacing the old system of hand-picked (by the ruling party) mayor - seen likely to be the second most powerful figure in the country.

Mr Clinton and Mr Zedillo signed several agreements but they were described variously by diplomats as "symbolic", "modest" or "small-bore". There was no sign of progress on the key issues of drug trafficking through Mexico, Mexican anger at tougher US immigration laws or whether US anti-narcotics agents can carry weapons in Mexico.

Mr Clinton was yesterday moving on to San Jose, Costa Rica, for a summit with Central American leaders, followed by a Caribbean summit in Barbados at the weekend.



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Laurent Kabila was his democratic

We are to see M go, but K must real that we democracy

When the leader of the movement for the liberation of the Congo (MLC) was elected President of the Democratic Republic of the Congo (DRC) in 1997, he was Laurent Kabila. He was a former member of the armed forces of the DRC and had been involved in the struggle for the liberation of the country. He was elected President in a referendum that was held in 1997. He was the first President of the DRC to be elected in a free and fair election. He was a member of the MLC and was the leader of the movement for the liberation of the Congo. He was a former member of the armed forces of the DRC and had been involved in the struggle for the liberation of the country. He was elected President in a referendum that was held in 1997. He was the first President of the DRC to be elected in a free and fair election. He was a member of the MLC and was the leader of the movement for the liberation of the Congo.

صكزا من الامم

Mobutu camp claim dictator will be back

Loughlin
Kinsasa

The ailing President Mobutu Sese Seko left his teetering seat for a two-day crisis summit in Gabon yesterday, leaving behind a country of enemies and allies alike to wonder if he will ever return.

The people of Kinshasa reacted impassively as the presidential cavalcade swept through its stinking, broken streets yesterday morning, escorted by menacing troops in riot gear and armoured cars. At the airport, journalists trying to film the 66-year-old dictator's departure were hustled away by soldiers, denied one last coveted shot of his leopard-skin hat ascending into an airplane.

The jet rumbled off across the Congo river, while down town a crowd of grim young men gathered to chant the name of Laurent Kabila, the rebel leader who has seized most of Zaire. Mr Mobutu, a remarkable egotist and survivor, may yet return to face Mr Kabila's guns, but he will get little thanks from his people if he does.

The purpose of Mr Mobutu's visit to Gabon is now at the centre of a massive propaganda battle to rival the shooting war in the east. Sceptics and opponents say that, with the rebels poised to take the capital, Mr Mobutu is merely using the conference as an excuse to get out while he can. Others, including the President's dwindling band of supporters, say he is flying to Libreville to seek military assistance from his fellow leaders.

Mr Mobutu's generals have told journalists that before he returns on Friday the President will obtain up to 20,000 soldiers from French-speaking countries like Gabon, Congo, Togo, Chad, the Central African Republic and even from English-speaking Nigeria. In the meantime, they say, their troops are driving back rebel forces at Kenge and Kikwit, respectively 250km and 400km to the east of the capital.

According to the pro-government newspaper *Le Soly*, West Africa's Francophone countries are worried about the "invasion" of Zaire by "Anglo-Saxon" Rwanda and Uganda,



Road to nowhere: President Mobutu's motorcade en route to Kinshasa airport yesterday. Photograph: Reuters

whose English-speaking leaders are closely linked to Mr Kabila's Alliance of Democratic Forces. Nigeria, it says, merely wants to score points off South Africa's President Nelson Mandela - allegedly pro Kabila - for leading criticism of the 1995 execution of writer Ken Saro-Wiwa.

One diplomat from an influential Western embassy said he believed Mr Mobutu was serious about seeking military aid, but would be unlikely to return to Zaire if he failed to get it. "I don't think he would like to be in Kinshasa if the rebels were here," he remarked.

And despite government claims of new victories in the field, reports from the east suggest that Mr Mobutu's troops are still losing ground. A Western military observer and aid sources said yesterday that reports from Kenge confirmed that the town was still in rebel hands despite a government bid to recapture it on Tuesday. Government forces have

been driven back to Wambo river after heavy fighting, the military observer said. Several sources said that Mr Mobutu's force included several hundred fighters from Unita, the Angolan rebel movement. The government's own demoralised and undisciplined troops are believed to have played little part.

The Belgian wing of the medical aid agency Médecins Sans Frontières said that Catholic missionaries in Kenge were desperately trying to care for 127 people wounded in Tuesday's fighting. MSF's Dr Mit Philips said that the priests reported over 300 dead in the fighting, of whom 200 were civilians. The International Committee of the Red Cross confirmed yesterday that 10 of its local volunteers were killed as they tried to tend the dead and injured at Kenge, although the circumstances of their deaths remains unclear.

Kabila: saint or dictator? Zaire awaits its fate

When the rotund and smiley Laurent Desire Kabila, 58, lumbered out of the bush to lead a rebel uprising in Eastern Zaire, even seasoned Africa watchers asked: Laurent who?

The avuncular Mr Kabila was ridiculed for his preposterous plan to seize Zaire from dictator President Mobutu Sese Seko, ruler for more than 30 ruinous years. Seven months later the former "nobody" controls all but the capital, Kinshasa, and a slither of Zaire.

On the street of Kinshasa yesterday, crowds celebrated what they believe to be President Mobutu's permanent departure. It was Mr Kabila's ome they chanted.

"No-one could be as bad as President Mobutu," said Jean-Luc, an agricultural lecturer. But of that you cannot be certain: Opinions of Mr Kabila have fluctuated wildly in recent months.



Laurent Kabila: Yet to prove his democratic credentials

Mary Braid on the rebel leader who remains an enigma to most of his people

entire adult life outwring a small revolutionary force and outworking with a new breed of post-independence leaders like Yoweri Museveni of Uganda and Paul Kagame of Rwanda, pursuing a dream that one day he would overthrow President Mobutu.

But much about the man remains a mystery. Mr Kabila has yet to give a confessional interview and discourages questions about his private life.

However, his past is a testament to persistence and a purity of sorts. In a country where few, if any, in the political classes can claim never to have collaborated with President Mobutu, Mr Kabila is a one off.

He is an amiable fellow, but his affability evaporates if his Maoist past is questioned or his family life probed. There are some signs of imperial, dictatorial tendencies. He has appointed relatives to key positions in rebel held territory. And re-education classes run by his forces for the citizens of captured towns have a rigid totalitarian feel.

Political opposition, as yet, is banned in rebel territory, and his new standing has already been undermined by accusation of refugee massacres by Kabila's forces.

Emma Bonino, EU Human Rights Commissioner, this week claimed that if Mr Kabila replaced President Mobutu this probably not be a change for the better. While few would make such a hasty judgement, diplomatic opinion has been influenced by another recent event.

On Sunday, the South African President, Nelson Mandela, sandwiched between President Mobutu and Mr Kabila, at their first face-to-face meeting on the South African ship *Ouanga*, described Mr Kabila as "a great son of Africa".

The real worth of that diplomatic statement should be judged by the fact that President Mandela afforded the same praise to President Mobutu.

Behind the scenes opinions of Mr Kabila, who initially failed to show for talks, are more acid. "He's an arrogant son of a bitch," said one of the negotiation process backroom boys, of Kabila's endless stalling on the talks and his humiliation, not just of President Mobutu but President Mandela.

"He has really gone down in President Mandela's estimation."

It is a confusing picture for those about to welcome Mr Kabila as saviour. If he is the latest member of the Museveni-Kagame club - African leaders dedicated to social order, stability and honest government - democracy will not be a priority. That could kill the overwhelming goodwill that awaits him. "We have been fighting for election since 1990," said Jean-Paul. "People are happy to see Mobutu go but Kabila must understand that we want nothing less than a revolutionary Party."

We are happy to see Mobutu go, but Kabila must realise that we want democracy

When he first popped up as the leader of the Alliance of Democratic Forces for the Liberation of Congo-Zaire he was not thought worthy of investigation.

His rebellion was forecast to die as soon as Rwanda, the giant Zaire's tiny eastern neighbour, which backed Mr Kabila's army, had achieved its aim - the break-up of Rwandan. Hutu refugee camps just inside Zaire's border.

But it didn't die, and as the rebellion has grown, so has information about its leader. In the early 1960s Laurent Kabila was a junior member of Zaire's Leftist, Pan-Africanist, Independent Movement led by Patrice Lumumba, who became the country's first post-independence prime minister. Lumumba was murdered in 1961 and the CIA murdered Mr Mobutu - then a military figure - were rumored to have been responsible.

The rebel leader then spent decades in a state of quiet but perpetual revolution, controlling a small district in the east of Zaire as head of a rather obscure People's Revolutionary Party.



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A leadership battle lost before it's fought

For a party that has lately been making such a song and dance about the strength of the nation and the sterling qualities of our House of Commons, Tory MPs have organised a singularly unimpressive beauty contest for their party leadership. For a start, they cannot even muster a woman to stand, and so, at least symbolically, offer a token of wider appeal. Why didn't someone persuade Gillian Shephard at least to put a marker down? The problem is what the Americans might call leadership-lite: the announced candidates are mostly second-rate, and some demonstrably lack the appurtenances of political success in a media age. This is Lady Thatcher's legacy, the gift to her party of someone who would tolerate only yes-men. The figures in her Cabinet with any weight, such as Lords Howe and Lawson, were squeezed out. The result is this week's display of Tory bonfire.

Only Tory MPs have the franchise and, to judge from what they are saying today, they are going to make their decision in about equal proportions on the basis of venom, revenge and the prospect of preferment. Talk about a shell-shocked electorate: First World War historians should give them a psychological going-over. John Major could have stayed on for a month or two, allowing a moment for fest and recovery; instead he has sent his party exhausted into a contest in which, to date, no candidate has had the

courage or perspicacity to state the real reasons why the party lost, or come up with a clear case for believing in its imminent revival.

There is of course a wider significance to this contest, and it goes beyond the constitutional fact that the Tories are the principal opposition to Labour and as such have a public responsibility to get their act together. It is that sooner or later, we believe, the United Kingdom will have to come to terms with its membership of a confederation of European states. That does not necessarily mean joining the Single Currency in 1999, nor does it mean signing up to the integrationist project advanced by Chancellor Kohl. It does mean playing the negotiating game, winning friends and allies among the other states, thinking positively about the architecture as well as — don't we all like to forget them — considering the timing and sequence of bids to join the European Union by the former Communist countries of Eastern Europe.

There is no way this Tory leadership election will "solve" the European question; but it could be used to set the Conservative Party on the way towards accepting that there is no sensible alternative for this country but to tread the path of co-operation within a pan-European organisation committed to a lot more than free trade. Thus the latterday Poujadism of John Redwood would merely prolong the party's agony. Pierre



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Poujade was not an intellectual: John Redwood bears the badge of All Souls College, Oxford, which says he is. But Redwood seems of late to have turned into a mishmash of populist concern for cottage hospitals, and anti-Europeanism of head-banging intensity. Besides his narrow nationalism, Peter Lilley is a player of small stature — and that does not refer to his physical size. Stephen Dorrell has flip-flopped too often to be credible: he is coming from nowhere in particular, and should be regarded for the time being as going nowhere, either. The Hague lad is charming, intelligent, amicable, compe-

tent but (judge from the episode of the champagne pact with Michael Howard) in need of longer schooling in the wicked arts of politics before assuming the heavy mantle of leadership.

That leaves only two middleweights: Howard vs Clarke. Neither are great thinkers. Neither will furnish a Tamworth manifesto for the 21st century, adapting and modernising Conservative belief and party practice. Michael Howard's stewardship of the Home Office has not only been practically ineffective (crime levels seem to have been remarkably unchanged by locking up huge numbers); he has had little useful to say about

the phenomenon of crime in our kind of society beyond ritual calls for discipline, family and order.

The recent Chancellor was a touch jejune in his defence of political discretion in monetary policy the other day. But he is a formidable political operator and a strong parliamentary performer with stacks of blockish charm. Not a grand figure, or a brilliant one, but certainly a man with the kind of toughness of mind that the next party leader will need to pull the Tory clan back together.

And he is, among this thin band, the only candidate with a forthrightly positive position on Europe. Here the persona which Kenneth Clarke adopts — the man from Nottingham with his finger on the pulse of manufacturing and services in the heart of England — comes into its own. In him the company director, the man with a pint in his fist in a West Bridgford pub, becomes pro-Europe. That Clarke has not trimmed, has not succumbed to the atavism that has swept through his party of late (like Messrs Hague and Dorrell), is also to his credit. Whether Michael Howard really believes in his little Englandism is beside the point. He has deliberately and openly made himself a Euro-sceptic — and, judging by his election result in the Folkestone constituency, there are many more of these holed up in large numbers behind the acacia hedges.

So Kenneth Clarke should win, because he is the only candidate who

requires his party to face the inevitable now. However, Tory MPs are probably incapable of taking note of this sage advice, and will instead elect either a sceptically entrapped Howard, or a small and inconsequential political figure. In that case Mr Clarke can and must keep up the good fight, safe in the knowledge that the victor in this present election will only be a transitional figure. Some day, doubtless after much further blood-letting, the Conservatives will return to the modern world.

Classics are so elastic

Nicholas Kenyon, controller of BBC Radio 3, takes a swipe at Lord Lloyd Webber, but elevates Lennon and McCartney to the classical canon. Lots of humming and garbling about that, no doubt. But there is no harm in challenging our definition of what constitutes "classical" music. Sure, the Beatles have been continuously loved and respected to for decades — but is longevity enough? Abba have been loved for a long time, too (humph). Pierre Boulez and Sir Harrison Birtwistle have not, by many, but they are supposedly "classical". We hope Mr Kenyon merely means that all these definitions are elastically by-the-by.

LETTERS TO THE EDITOR

PR: some pointers for the puzzled

Sir: The problem with discussion on proportional representation is that most people do not carry in their minds what the various possibilities are. Hence, potentially unnecessary fears may exist. For my part, while I would like to see a distribution of seats more in line with the proportion of votes cast, I do not wish to see what I have experienced in another European country: the impossibility of having contact with one's MP other than through the ballot box. On a number of occasions I have been able to represent minority interest matters directly to my MP of the time, usually getting a sympathetic response, and sometimes feeling that I have managed to influence events.

My continental friends find it a novel idea, and many of them would like a comparable facility. There is a sense that under their current system, MPs are just an abstraction — un-get-at-able. Neither is there room at elections for the colourful or innovative independents we have here: just the grey dullness of party lists, to be picked up outside the polling station, carried in, and dumped into the ballot box. So, what system is it that approximates to the best of both worlds?

JOHN TIPPLER
Spalding, Lincolnshire

Sir: John Diamond ("Under PR no one gets what they voted for", *Letters 7 May*) makes a strong case against proportional representation. He adds that "first-past-the-post is, indeed, imperfect, but it is the least imperfect of all the options".

All the options? What about preferential voting (also known as the alternative vote)? It retains the benefits of constituency-based representation with the advantage of better reflecting the will of the whole electorate. Is it not better to have a government elected by majority, even if a small proportion of the electorate voted for them as a second preference, than one elected by only 44 per cent of the electorate?

There are disadvantages with preferential voting: it does favour parties which occupy the middle ground, and can on occasion elevate the third runner to first when second preferences need to be counted. It also takes far longer to count. But it allows people to vote with their conscience, and dramatically reduces the "wasted vote".

I hope that, when a referendum is put to the people on electoral reform, preferential voting is given a fair chance alongside PR and the current system, and that the people, once aware of its existence and use already in other advanced democracies, will support it.

DOMINIC MESSENGER
Hoveham, West Sussex

Sir: John Diamond envisages a parliament made up of 285 Labour MPs, 201 Tories and 165 Liberals, and wonders which two-party coalition could claim a mandate to rule; and what would they take for a manifesto?

These issues cannot be avoided under PR, but when we introduce PR to Britain the parties will have to explain their views on collaboration as part of their campaign. Only those who stand for election with the attitude that they will obtain an absolute majority are going to disappoint their voters by agreeing to share



power; but I doubt that any party capable of denying political reality to that extent will attract many votes anyway.

As for the mandate, there is no reason to limit the possibilities to the smallest possible coalitions that can assert a majority. If the seats fall according to Mr Diamond's scenario the best solution is a three-way coalition government. That would maximise the number of laws that could be passed with the support of at least 56 per cent of the voters. When was the last time first-past-the-post gave such a democratic result?

MARK BASSETT
New Malden, Surrey

Sir: 44.4 per cent of voters may, as John Diamond tells us, have got the government they voted for — but that doesn't mean they got the government they wanted. More voters than ever were driven by frustration to vote tactically for the least unacceptable candidate with a chance of winning.

Under the current system any claim of a mandate is unfounded, not only because the winning party doesn't have a majority of votes cast but also because there is no way of knowing how many of those it did get were tactical or negative. Under a PR system it will be possible to know for the first time what the British people really want.

BRIAN FEWSTER
Leicester

Sir: The reinvigorated debate on proportional representation is music to the ears of many. However, although PR may be necessary, it alone is not sufficient to ensure fair and just elections. The present dependence of parties on the ability to raise huge

sums of money to fight election campaigns ensures that the backing of unions, big business, or extremely wealthy individuals is essential. The two main parties are each to a greater or lesser extent beholden to their corporate backers. Both their integrity and independence is compromised.

I find the funding of the Tory party particularly galling. Money that should be going into share dividends to fund my pension and my mortgage endowment policy is instead being diverted to support a political party that I am strongly opposed to. Reform to the funding of political parties is as necessary as reform to the voting system if future elections are to be fair and just to everyone.

JON MARKS
Ruislip, Middlesex

Self's philosophy

Sir: John Walsh (*Magazine*, 3 May) thinks that Will Self "studied PPE by mistake", and that he's now "trying to write a series of Eng Lit essays saying 'Is this good enough? Damn it, I should have done English'".

As one of Will Self's philosophy tutors, I doubt this. The study of philosophy requires a great deal more imagination than the study of English literature, and I'd be surprised if Will Self — who wrote some thoroughly exotic essays — thought that he'd made the wrong choice.

GALEN STRAWSON
Jesus College, Oxford

Blair's case for open government

Sir: The contents of the Queen's speech, to be settled on Thursday, will be subject to many competing claims. But among the strongest should be a Freedom of Information (FOI) Act, incorporating whistleblowing protection. The case for it was put most emphatically by Tony Blair, speaking at the Campaign for Freedom of Information's annual awards in March 1996, when he described the legislation as "not some isolated constitutional reform" but a "change that is absolutely fundamental to how we see politics developing in this country". He added:

The crucial question is does the Government regard people's involvement in politics as being restricted in periodic elections? Or does it regard it as in some sense a genuine partnership with people?

I don't believe that [an FOI Act] impact would simply be in the pure matter of legislation... It would also signal a culture change that would make a dramatic difference to the way that Britain is governed. The very fact of its introduction will signal a new relationship between government and people: a relationship which sees the public as legitimate stakeholders in the running of the country and sees election to serve the public as being given on trust...

There is so much disaffection from politics, so much disillusion with it, and one of... the reasons is that we live in a modern and a far better

educated and far more open and far more assertive democracy and country and it's good that people feel in that way. The irony is that the system of government is about 50, 60, 70 years behind the actual feelings and sentiments of the broad majority of people. A Freedom of Information Act is not just important in itself. It is part of bringing our politics up to date, of letting politics catch up with the aspirations of people and delivering not just more open but more effective and efficient government for the future.

The case for immediate legislation could not be better put. MAURICE FRANKEL
Director
The Campaign for Freedom of Information
London EC1

West must not loot Zaire anew

Sir: President Mobutu of Zaire seems about to exile himself for ever from the country he has hid dry since assuming power. Now is the time for the international debt agencies to show that humanitarian concerns and natural justice matter more to them than profit.

The arch-thief Mobutu has amassed a fortune estimated at \$5bn-\$6bn. This colossal amount is around the same as Zaire's national debt. Debt repayment is a burden on the whole of the South, but weighs particularly heavily on the poorest, and, according to the World Bank's own figures, the mass

of Zaireans are the poorest of them all.

Will the Bank, and their partners the International Monetary Fund, forgive these stolen loans? Or will they force the incoming regime to continue to bleed Zaire's poor to repay the money stolen by Mobutu; a process akin to making the new owners of a house liable for the debts of their predecessors?

If the IMF and World Bank continue with "business as usual" they will have forfeited all moral right to continue to act as the rich world's debt collectors.

ANDREW WHITWORTH
Leeds

Shaking with insincerity

Sir: One thing hasn't changed: the spectacle of British (like American) politicians looking away from the person they are shaking hands with. What gesture could be, and appear, more meaningless and insincere?

Perhaps Peter Mandelson could start his New Labour Government Integrated PR job with a training course on how to shake hands in public.

SARA CLARKE
Hayfield, Derbyshire

Major's doom

Sir: Julius Caesar Act II Scene ii: When beggars die, there are no comets seen; The heavens themselves blaze forth the death of princes.

It was Hale-Bopp won't win it. ANGUS HENDERSON
Craneleigh, Surrey

Abortion can be a loving solution

Sir: While I agree with much of Cardinal Hume's article ("A manifesto for moral and spiritual problems", 6 May), may I express my anger at his attempt to equate abortion today with slavery in the 19th century?

Slavery was immoral because it involved the capture, transportation and exploitation, often with great cruelty, of large numbers of unwilling people for the commercial advantage of a relatively few. To the best of my knowledge there is no commercial organisation today which forcibly seizes women, carries them off, impregnates them and then aborts their foetuses for the sake of profit.

There must be few people who are genuinely "pro-abortion" in the sense that they would recommend that women experience abortion as a pastime, diversion or occupation. (It is probably the worst of all methods of birth-control.) There are many, like me, who accept that it is sometimes (in cases such as rape, foetal abnormality or acute social need) the best of a number of bad options.

May I, as an ordinary back-pew Anglican, presume to remind Cardinal Hume that we are recommended to love the Lord, our God, with all our hearts, souls and minds? If we use our minds we will recognise that there are occasions in this imperfect world when accepting a distasteful option such as abortion is the most loving solution to a problem. I suggest that a Christian society would do all in its power to shield women from the need to seek abortions. (By promoting wider knowledge of contraception and responsibility in sexual activity.) It would certainly not condemn women who feel that they have no choice nor those who seek to help them.

GEORGE GARNER
Milway, Devon

Sir: Cardinal Basil Hume is right to point out that many of our economic and social problems have a moral dimension. A shared sense of mutual responsibility, respect for (all) life, and a stable and caring home environment for children are goals we can all agree on.

It is a pity, therefore, that he takes the opportunity to entrench the old dogmas on abortion and the shape of the family, rather than considering how, through social dialogue, we might work towards the creation of a new, shared morality and the development of public policies to support it.

JONATHAN PINKNEY-BAIRD
The Communitarian Forum
Bury St Edmunds, Suffolk

House-training

Sir: Along with new members and new measures, may we hope for new manners in the House of Commons? Was it, perhaps, the sight of their elected representatives behaving like yobs in the House that turned so many of the young off voting? With more women, at last, in Parliament, may we hope for more civilised behaviour? Surely, with less shouting, more work would get done, and better.

JANE AIKEN HODGE
Lewes, East Sussex

Feeling good

Sir: I think I've got that elusive feeling good factor at last. ADRIAN PERRY
London SE1

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Sir David Simon's decision to accept ministerial post seen as Government coup but costly loss for oil giant

Europhile BP chief moves to key Blair job

Chris Godsmark
Business Correspondent

Sir David Simon, one of Britain's best-known industrialists and the man credited with saving British Petroleum from financial disaster, yesterday confirmed his decision to join the Government in a new ministerial role responsible for trade and competitiveness. The move ends a 36-year career with the oil giant.

The appointment was viewed yesterday as a huge loss to BP but a coup for the Government, showing its determination to build a partnership with the business community. Sir David's move, at the personal instigation of Tony Blair, Prime Minister, is also another dramatic demonstration of the administration's more Euro-friendly approach.

He has been one of the leading advocates of closer European co-operation from the business community, regularly putting the case for the UK collaborating on moves towards a single currency and a vehement critic of Euro-scepticism.

Confirming his resignation as chairman, BP announced that Peter Sutherland, deputy chairman since 1995, would be taking over as interim chairman. The company said it would consider the issue of Sir David's long-term successor "in due

course" though Mr Sutherland is almost certain to be confirmed in the job later this year. Another strong pro-European, Mr Sutherland is chairman of Goldman Sachs International and was a former European Commissioner responsible for competition policy. He also headed the World Trade Organisation.

Sir David will be made a life peer to enable him to take up the ministerial position and has also resigned from his other

He won't get an automatic pay-off but may get something at our discretion. He served us well

non-executive directorships, including RTZ and Deutsche Bank. He also ended his membership of the Court of the Bank of England, a role he took on two years ago.

Mr Blair's office described as "inaccurate" reports that Sir David had been sounded out for the post of Minister for Europe,

a job later awarded to Doug Henderson.

Based in an office at the Department of Trade and Industry, Sir David will have a roving brief also covering the Treasury and charged with promoting the "competitiveness agenda" in Europe, pushing forward the drive to complete the single market and spreading the gospel of flexible labour markets. He will also chair an inter-departmental committee on European competitiveness.

Downing Street insisted last night that Sir David would have no involvement in the single currency question, though he will also be a member of cabinet committees covering economic and European affairs and the taskforce on the British presidency of the EU.

It also emerged that Sir David will not be paid during his government service. The normal middle-ranking ministerial salary is £31,125. BP said he had severed all connections with the company, though he could receive a pay-off. A spokesman said: "He doesn't automatically get a pay-off. He may get something at the discretion of the company. He's served us well. But it won't be evident till we publish our annual report next year."

Sir David was paid a £241,000



Life peer in waiting: Sir David has also resigned other non-executive directorships ahead of his latest career move

"chairman's fee" with BP last year and this year had not taken part in the group's generous long-term share bonus plan.

He has 247,091 shares in the company worth £1,800,057 which are likely to be held in trust during his time in gov-

ernment. BP's share price fell 4p yesterday to 728.5p.

Starting as a graduate apprentice, Sir David joined BP full-time in 1961, rising to become chief executive of the downstream oil division in 1982. By 1986 he had been appointed chief operating officer and

finance director, a role he unusually took on despite the lack of any formal accountancy qualification.

He became chief executive following the surprise departure of Bob Horton in 1992 after a long-running boardroom dispute. Faced with debts of

£16.3bn, Sir David masterminded a rescue strategy involving the loss of thousands of jobs. BP has since become one of the world's top performing oil companies with profits last year of £2.6bn.

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Buoyant sterling erodes industry growth

Diane Coyle
Economics Editor

The strong pound is chipping away at growth in manufacturing, official figures suggested yesterday.

Manufacturing output fell unexpectedly in March, declining in all sectors except engineering.

Separate figures for car sales last month, showing the consumer spending spree continuing unabated, highlighted the contrast between the strength of home demand and weakness on the export front.

The division in the economy has split economists between those who call for further interest rate rises to slow consumer spending, and those who reckon this would harm the recovery in industry.

Marian Bell at Royal Bank of Scotland said: "Obviously manufacturing is not growing very strongly but that should not prevent the Bank of England from putting interest rates up again."

In the other camp, Jonathan Loynes at HSBC Markets said: "Industry needs more rises like it needs a hole in the head."

The financial markets brushed off all such worries. Share prices climbed again, the FTSE 100 index ending up more than 18 points at 4,537.5, another record. It has gained nearly 100 points in the three trading days since Labour's victory last week.

The pound held steady at just over DM2.81. Gilt prices fell slightly but the yield premium over German bunds also narrowed a little further. Tuesday's fall in this spread had been the biggest in a single day for nearly three years.

Manufacturing output fell by 0.1 per cent in March. It rose 0.6 per cent in the first quarter of the year, to a level 1.6 per cent higher than a year earlier.

"Manufacturing is not yet up against the wall. This is growth of about the trend rate," said Michael Dicks, UK economist at Lehman Brothers.

In the latest month, output was down in most of the main sectors, with drops of 0.8 per cent in chemicals and metals. Engineering bucked the trend with a 0.3 per cent increase.

David Hillier at BZW said it made sense for engineering exports to have suffered less because the industry's products were typically more sophisticated and therefore less sensitive to price competition.

Taking the first quarter as a better indication of the trends, engineering production is up 4 per cent, metals 2.7 per cent, textiles and clothing 1.8 per cent; but the other sectors showed smaller gains.

Total industrial production was also down 0.1 per cent during March. Apart from the drop in manufacturing, its main component, gas, electricity and water supply, was down 0.6 per cent due to the unseasonably warm and dry weather. Industrial output climbed 3.4 per cent in the year to the first quarter.

Separately, the Society of Motor Manufacturers and Traders said new car sales had risen 12.3 per cent in the year to April. Retail custom had improved.

BSkyB unveils BT interactive TV link-up

Chris Godsmark
and Cathy Newman

British Sky Broadcasting and British Telecom yesterday unveiled their long-awaited and controversial partnership to spearhead the drive into interactive digital satellite television, creating a £265m company to subsidise the introduction of the electronic set-top box technology.

BT said it would be interested in floating the new company, British Interactive Broadcasting (BIB), if its ambitious plan to create the dominant platform for digital pay-TV catches the public imagination. Rupert Gavin, BT's head of multi-media services, said: "If the company achieves success it obviously would be a candidate for a float."

However, BIB confirmed that it would not be able to offer a service until next spring because of the delays to the launch of a new Astra satellite, allowing the cable companies to gain a head start with their digital service, planned for November. Full interactive services, including home shopping, banking and educational products would not be available until the summer of next year.

The deal is also likely to be scrutinised by the European

Commission and the Office of Fair Trading. An OFT spokesman said: "This might fall under the restrictive practices act." He said the OFT would wait until the service started before making a judgement.

BIB insisted it was "confident" it would receive regulatory clearance on the grounds that the market is too new to

create a monopoly. Don Cruickshank, the telecommunications regulator, said the venture would be "good news for consumers" if it did not distort the market. He has proposed guidelines covering fair access to the box technology.

BT and BSkyB will each own 32.5 per cent of BIB, with Midland Bank taking a 30 per cent share, and Matsushita, the Japanese electronics giant behind the Panasonic brand, taking the remaining 15 per cent. The initial cash injection of £265m will cover the first five years of operations, split pro rata between the four shareholders. Matsushita said the cash would not all be paid up front: "There is no logic in putting money in

on day one if it's not needed for three or four years."

BIB surprised analysts with a much bigger than expected order for 1 million set-top boxes which allow consumers to decode programmes. Cable companies have already placed their order for just 10,000 boxes, though a cable source suggested their policy of ordering boxes as the demand emerged was "more prudent".

BIB's order is split between Matsushita, Amstrad, Pace Micro Technology and Grundig/Hyundai. Matsushita said it had not been decided how to split the boxes between the four manufacturers. Most of the investment will subsidise the cost of boxes in the shops, which will be priced at £200, against a manufacturing cost of some £350. The total subsidy over 10 years could be £700m.

Cable companies attacked the venture, claiming BIB would be unable to offer the level of interactivity available from cable technology.

The announcement came as BSkyB reported results for nine months ended 31 March 1997, slightly below market expectations. Profit before tax was up 21 per cent to £215m, and total paying subscribers were up by 121,000 to 6.2 million in the quarter.

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bank accounts to check balances, transfer money or pay bills.

BIB claims that bank information and payment details for goods will all be encrypted so that no one can hack into them. In addition, Thomas Cook has signed up to supply flight, holiday and hotel information. Travellers cheques and foreign currency will also be available electronically.

The set-top box will also link televisions to the Internet, eventually giving access to billions of pages of text information. At first this will be limited to a "best of the Internet" service,

buy most mainstream goods. Retailers using the service will be able to offer a store guide of all the different departments available, broadcast in high-quality digital images and sound overlaid with text.

Once a particular department has been accessed, viewers will be able to browse through lists or images of goods by moving an electronic arrow around the screen. To make a purchase will entail selecting a product number and an order will be made via the set-top box and a high-speed modem.

Besides shopping, viewers will be able to access individual

Home-shoppers soon able to cast their Net wide

For an outlay of £200 on a set-top box, consumers will not only be able to tune into dozens more channels but have access to an array of interactive services, writes Paul McCann.

Potentially the most popular service could be home-shopping. So far Sainsbury has signed up with British Interactive Broadcasting (BIB) to sell groceries off the screen and HMV to do likewise with CDs and tapes.

BIB is also in talks with clothes shops, chemists, electrical goods stores, DIY superstores and drinks companies so consumers should be able to

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BG in renewed effort to delay gas competition

Chris Godsmark

BG, the renamed British Gas, will lobby the Government in an attempt to delay the next stage of domestic competition, which the Conservatives had aimed to start in Scotland and the north of England in October.

The issue is understood to have already been put to the new energy minister, John Birt, before the general election and is expected to be followed up in briefings with BG over the next few weeks. BG owns the pipeline network, Transco, and has claimed it cannot introduce complex computer systems, which track customers as they switch supplier, in the planned timescale.

The call for a delay to competition comes after BG failed to persuade Clare Spottiswoode, the gas industry regulator, to drop her plan to bring forward domestic competition with a fourth trial area this year.

The original aim had been to start the full national roll-out of competition in 1998, though the precise timing had never been clear. Ms Spottiswoode also wants national competition to start in full by next April.

Ian Lang, former President of the Board of Trade, announced the October trial area, involving some 2 million homes from Scotland down to Tessa in the North-east, as one of his last decisions at the DTI. However, he opened the issue to consultation within the gas industry.

BG has introduced new computer systems for each trial area, leaving at least 10 more to be replaced before full competition is completed. An industry source said: "The agenda has

been changed half-way through by the regulator. Meeting the October deadline is not as simple as that."

The earlier trial areas, which cover about 2 million homes in the south of England, have already resulted in Centrica, the demerged BG supply operation, losing more than 200,000 customers.

Rival independent gas companies are largely in favour of a quicker national roll-out, arguing that BG has already proved its computer systems can cope with the change.

Roger Turner, former managing director of United Gas and one of the leading advocates of competition, said if the Government agreed to the delay it would send conflicting signals about its consumer-led approach to regulation.

"A delay wouldn't fit in well with Labour's commitment to ensure an open European energy market by the end of the UK's EU presidency and its aim to put the consumer first."

Mr Birt also faces calls from regional electricity companies (RECs) to delay start of power competition, due to begin from next April. One REC, which did not want to be named, wants an early meeting.

GEC set to combine Marconi with Thomson-CSF

Michael Harrison

GEC yesterday positioned itself to combine its Marconi defence electronics business with that of Thomson-CSF of France, whichever of the two government-approved bidders succeeds in taking over the company.

Lord Prior, chairman of GEC, said that it had signed memoranda of understanding with both the Alcatel Alsthom-

Dassault consortium and the British Aerospace-backed Lagardere group, the two candidates selected to bid for Thomson.

The move follows last month's decision by the French government to veto a direct takeover bid for Thomson-CSF by GEC on grounds of "national security". It was the second time in four months the French had rejected a foreign bid.

GEC already has joint ventures with the groups bidding for Thomson-CSF. It owns a 50 per cent stake in GEC Alsthom, the Anglo-French power engineering and transport company, and has a space joint venture with Lagardere.

Separately, it was confirmed that BAe will fund up to £300m of Lagardere's bid. BAe also has a joint venture with Lagardere's Matra division in missiles.

Marconi and Thomson-CSF are Europe's two biggest defence electronics companies and together would form a combination capable of competing on a more equal footing with US giants such as Lockheed-Martin. Lord Prior said the agreements signed yesterday with the two consortia left it well positioned to take part in any reorganisation of Europe's electronics defence industry.

GEC would be prepared to put a large part of Marconi's operations into a combined company although it would keep the naval warfare business, which owns VSEL in Barrow and the Yarrow yard on the Clyde separate.

The French government was due to select the winning bidder by early July but the timetable may have been affected by the decision to call an election.

| STOCK MARKETS | | | | | | | | | |
|----------------|----------|---------|--------------|------------|--------------|-------------|-----------|--|--|
| | Index | Close | Day's change | Change (%) | 1996/97 High | 1996/97 Low | Yield (%) | | |
| FTSE 100 | 4537.50 | +18.20 | +0.4 | 4537.50 | 4056.60 | 3.87 | | | |
| FTSE 250 | 4519.00 | -1.20 | -0.0 | 4728.40 | 4489.40 | 3.58 | | | |
| FTSE 350 | 2210.30 | +7.00 | +0.3 | 2210.30 | 2017.90 | 3.57 | | | |
| FTSE SmallCap | 2304.85 | +3.60 | +0.2 | 2374.20 | 2178.29 | 3.03 | | | |
| FTSE All-Share | 2173.90 | +6.64 | +0.3 | 2173.90 | 1989.78 | 3.53 | | | |
| New York | 7168.73 | -66.58 | -0.9 | 7225.32 | 6932.94 | 1.73 | | | |
| Tokyo | 20048.90 | -132.02 | -0.7 | 20180.92 | 17903.85 | 0.801 | | | |

| INTEREST RATES | | | | | | | | | |
|----------------|-------|---------|---------|---------|--------|--------|--------|--------|---------|
| | Index | 1 Month | 3 Month | 6 Month | 1 Year | 2 Year | 3 Year | 5 Year | 10 Year |
| Short sterling | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 |
| UK medium gilt | 7.11 | 7.11 | 7.11 | 7.11 | 7.11 | 7.11 | 7.11 | 7.11 | 7.11 |
| US long bond | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 |

| CURRENCIES | | | | | | | | | |
|------------|---------|-----------|---------|----------|-------|-----------|---------|----------|--|
| | Index | Yesterday | Change | Year Ago | | Yesterday | Change | Year Ago | |
| £/\$ | 1.5385 | -0.0016 | -0.0016 | 1.5113 | £/DM | 0.6111 | +0.01 | 0.6617 | |
| £/¥ | 1.5310 | +1.30 | 1.5107 | | DM/¥ | 0.6109 | -0.49 | 0.6619 | |
| DM/£ | 2.8138 | -0.014 | 2.2892 | | DM/DM | 1.7184 | -0.376 | 1.8213 | |
| ¥/£ | 204.309 | -30.857 | 158.619 | | ¥/DM | 124.846 | -30.865 | 104.985 | |
| £/Index | 100.0 | -0.3 | 63.9 | | Index | 100.0 | -0.6 | 98.2 | |

BANK OF IRELAND

BASE RATE.

Bank of Ireland announces that with effect from close of business on 7 May 1997 its Base Rate has increased from

6.00% to 6.25%

Bank of Ireland



COMMENT

It is not every day that a British business parts company with £5bn in cash or that one of industry's few remaining household names changes course so dramatically.

With one bound, ICI breaks free of its old image

New Labour. New Millennium. New ICI. It is not just the Government offices on Millbank that have suddenly found themselves with a different set of occupants. Once ICI's acquisition of Unilever's specialty chemicals business is complete, Imperial Chemical House will ring with the sound of Dutchmen and Americans as well as the odd Brit.

The scale and significance of the deal is quite breathtaking. With one bound (two if you count the accompanying disposals programme) ICI has kissed goodbye to 70 years of history and tradition, dumped its image as a commodity chemicals manufacturer and, in the irksome parlance of modern-day management speak, decided to get closer to its customers.

It has also, incidentally, got further away from its domestic manufacturing base since only one of the four businesses it is buying from Unilever are headquartered here. The biggest, National Starch, is located in the US while two of the others are run from the Netherlands.

It is not every day that a British business parts company with £5bn in cash or that one of industry's few remaining household names changes course so dramatically. And yet this curious remains a deal about which it is hard to work up much excitement.

That was partly because it had been well trailed. Nevertheless, it still took all the hypebole ICI could muster to hold the auction of analysts and press alike amid the talk of oleochemicals (fatty acids to the non-

scientific), silicates and zeolites (don't ask). Financially, ICI has bitten off a lot, even for a company of its size. The £5.6bn debt mountain it is left with will necessitate a bigger, quicker and more ambitious clear-out of unwanted businesses than planned.

Industrially, it is far to early to say whether ICI's momentous change of tack will work, but it deserves to. Instead of taking the predictable route of buying a similar business and then squeezing every last drop of cost savings out of the combined operation, ICI has set its sights on new markets and new sectors where it genuinely thinks it can add value and achieve growth. It would be a step in the dark were it not for the fact that Charles Miller Smith, ICI's chief executive, spent 11 of his 30 years at Unilever working for precisely the businesses he has just bought.

David Simon could confound the cynics

It would be easy to be cynical and negative about Sir David Simon's appointment as minister for trade and competitiveness in Europe, as some no doubt will be. For starters, there are the very practical conflicts of interest and difficulties associated with one of Britain's leading industrialists moving without so much as a break for a cup of tea from the chairmanship of BP into an influential Government job. If it were the other way round – a Government minister taking up the top position

at BP or some other large company relying heavily on interaction with government – then there would rightly be a row about it.

As it is, Sir David can hardly be accused of having "earned" his new job by doing favours while in the old one. True enough, he has always been sympathetic to Tony Blair's reform of the Labour Party, and influential behind the scenes in moulding it, but Mr Blair certainly owes him no favours, or can moving from his present highly paid position into unpaid public service really be described as one.

But the most fertile ground for cynicism is the job itself. This is what a cynic would say about it. Minister for trade and competitiveness in Europe, straddling two government departments? What on earth is that? Minister without power might more realistically describe his position. Or maybe for ineffectual meddling. Yes, Sir David is going to find it hard in such a nebulous position to make much impact. In any case, does anyone seriously think the Europeans are going to take any notice of what Sir David and the Brits have to offer on flexible labour markets?

Well, yes, they might actually. There is a growing consensus throughout Europe about the need for reform and deregulation in labour markets. Many of its leading politicians have come to accept that convergence of labour markets is as important if not more important a precondition of successful monetary union as some of the

other more high-profile Maastricht criteria. While it is clear there is a way to go on this front, Britain does provide a model. Sir David already sits at the high table on these matters, having been a key adviser to the European Commission on competitiveness and how to address its deficiencies.

This is an important appointment, as much for the signal it sends to Europe of a Government determined to adopt a constructive approach as anything else. There is a real danger that the job will get buried, wither and die, a bit like Mrs Thatcher's appointment of a businessman to weed out waste and inefficiency in Whitehall. It nonetheless doesn't deserve to and Sir David is certainly not the type to let that happen.

As for BP, it is going to miss sorely Sir David's wisdom and professionalism. But he leaves the company in rude health and in good hands. Peter Sutherland, another convinced pro-European, will make an excellent, if very different successor. With three of our leading companies now headed by Irishmen, we should perhaps be worrying more about being run from Dublin than Brussels.

Cable may mount an interactive challenge

There's not much doubt about who gets the better part of the bargain among the participants in British Interactive Broadcasting – as usual it's BSkyB, which has cleverly

managed to persuade others largely to finance its push into digital satellite while at the time getting a free ride on the much more high-risk, commercially unknown market of interactive services.

That is not to maintain that British Telecom has been hoodwinked. The entry fee is high and the rewards unknown, but at least the company gets a ringside seat in a market it desperately wants to be a part of – interactive TV. Banned, even under Labour, until 2001 from offering broadcast TV across its network, this venture allows it to participate in one of the most advanced experiments in home entertainment, shopping, banking and travel anywhere in the world. Because the whole thing piggy-backs off Sky, it stands a much better chance of commercial viability than any stand-alone venture would have done.

BIB's main challenge will come out so much from regulators, whose readiness to put an end to this alliance of monopolies should not be underestimated, as from cable. Cable plans to launch its own digital set-top box a good six to nine months ahead of BIB. Furthermore it has very substantial technological and cost advantages over anything BIB can offer. But as always with cable, the real question is whether it has the wherewithal and the will to compete. According to rumour, only 10,000 of its digital set-top boxes have been ordered, hardly a match for BIB's one million. All the same, stranger things have been known. Who knows, the young sloth make awaken yet.

£5bn Unilever deal marks new focus at ICI

Michael Harrison

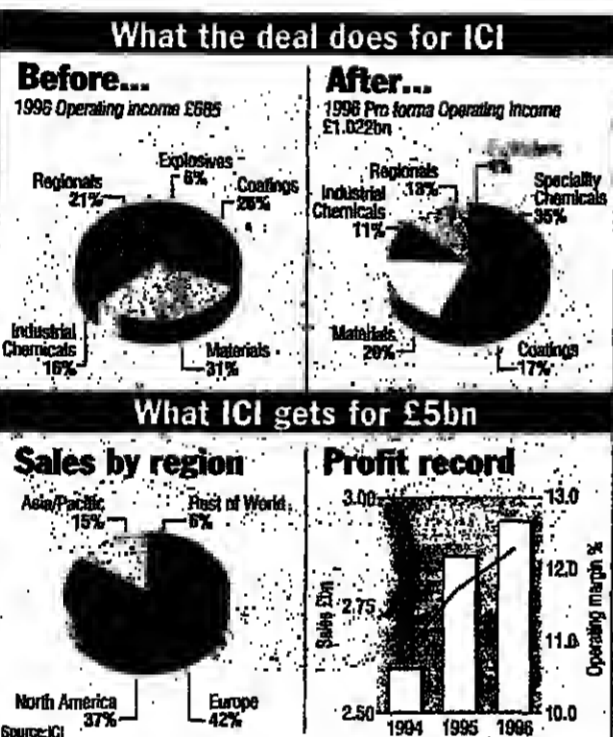
ICI yesterday made a decisive break with its past by paying £5bn for Unilever's specialty chemicals business and doubling its disposals programme as part of a strategic plan designed to reposition the company for the next millennium.

The twin strategy will remove ICI still further from its historic roots as a bulk chemicals manufacturer, taking the group into less cyclical markets and closer to the consumer. The overhaul is the result of a group-wide review begun 18 months ago, shortly after Charles Miller Smith arrived from Unilever to take up the chief executive's job, and marks the biggest change at ICI since its demerger from Zeneca three and a half years ago.

Sir Ronnie Hampel, ICI's chairman, said: "ICI was formed by merger 70 years ago. Today's deal creates nothing less than a new ICI for the new century."

It emerged yesterday that ICI had, in fact, made a pre-emptive bid for the businesses more than a year ago. Although this was rejected by Unilever's chairman, Niall Fitzgerald, it left ICI well placed to move quickly when he put the division up for sale after all late last year.

ICI beat off competition from rival bidders Akzo Nobel of the Netherlands and Dupont of the US, although it insisted the \$86bn (£5bn) price tag eventually agreed was not materially higher than its initial offer.



The deal is being financed entirely with debt and will leave ICI with borrowings of £5.6bn and result in a goodwill write-off of £3bn-£3.5bn. ICI said the acquisition would enhance earnings almost immediately and pledged it would grow the new businesses at a considerable faster rate than the 6-7 per cent a year achieved by Unilever.

The City welcomed the deal, marking ICI shares 43p higher to 757.5p. "It's a bold move but

definitely a move in the right direction," one said analyst.

Unilever's specialty chemicals division consists of four businesses supplying starches, flavourings, fatty acids and silicates to a huge range of industries from hygiene and packaging to electronics, food and drink. It employs 15,000 people world-wide and made operating profits last year of £357m on sales of just under £3bn.

The disposal programme will

raise an estimated £3bn over three years compared with an original target of £1.5bn and will see the group dispose of its 62 per cent stake in ICI Australia – valued at £1.1bn – and the Tioxide white pigments business.

The biggest of the four businesses ICI is buying is the US-based National Starch, one of the world's leading industrial adhesive and specialty starch producers with sales of £1.5bn. National Starch makes the coating for the latest Peetium chip.

The other businesses are the Dutch-based Quest, the world's leading fragrance and flavouring company, Unichema, which also has headquarters in the Netherlands and makes fatty acids, and Crosfield, which makes specialty chemicals for use in the detergents, drink, hygiene and paper industries.

The only businesses that are complementary to Unichema, which will be subsumed into ICI's existing performance chemicals business. This means there will be little in the way of cost savings to be achieved.

However, Mr Miller Smith said that the deal would provide ICI with a tremendous platform for growth through the blend of its technological and process engineering know-how and geographic spread and Unilever's marketing skills.

Crucially also, the businesses had been unable to win orders from rival consumer product groups under Unilever. Intra group sales accounted for 10 per cent of turnover.



Future plans: Sir Ronnie Hampel (left) and Charles Miller Smith. Photograph: Nicola Kurtz

Sainsbury points to signs of recovery

Nigel Cope
City Correspondent

Sainsbury's claimed to have "turned the corner" in the supermarket battle with arch rival Tesco yesterday though it admitted that regaining the number one position in UK food retailing was no longer a realistic short or medium-term ambition.

The comments came as Sainsbury's reported a collapse in pre-tax profits to £609m, in line with its calamitous profits warning in January which forced the shares close to their lowest level for five years.

However, Dino Adriano, chief executive, pointed to encouraging sales figures which showed same stores sales up 4.2 per cent in current trading, as evidence of a gradual Sainsbury's light back.

"I think these figures are pretty convincing. It does represent a beginning and I think we are turning the corner. Tesco is still ahead but the gap is narrowing."

He said that overtaking Tesco, which now has a market share of 15 per cent compared with Sainsbury's 12.6 per cent, was not a priority. "There are other measures of being top. Being the biggest is not necessarily consistent with being the best."

He said the group planned to base its revival on highlighting the distinctions between Sainsbury's and its rivals and keeping a tight rein on costs.

Sainsbury's figures received a positive reception in the City where the shares edged 3p higher to 349p.

Mike Dennis of NatWest Securities said: "The City can see more focus from the management and more emphasis on internal targets. But it will take another one or two sets of results before we can be sure of progress."

Mr Adriano said Sainsbury's involvement in Andrew Regan's abortive bid for the Co-op would not damage its reputation. He said Sainsbury's, which was interested in acquiring some Co-op stores, only received lists of stores and no confidential information. Chairman David Sainsbury has since contacted the CWS chief executive Graham Melmoth to explain the situation.

Investment column, page 22

RBS holds back from buying building society

Tom Stevenson
Financial Editor

Royal Bank of Scotland said yesterday it remained interested in buying a building society to increase its exposure to retail customers south of the border but said the prices implied by the recent flotation of Alliance & Leicester ruled out an imminent move.

Announcing record interim profits, George Mathewson, chief executive, also shut the door on the prospect of a share buy-back, saying the bank had no shortage of investment opportunities. He poured cold water on recent speculation that the bank might itself fall prey to a bid from a bigger

financial group such as HSBC or Halifax. Its shares have risen sharply in recent weeks on market whispers, closing yesterday at 585p, down 0.5p.

Despite rumours last month that Direct Line, the bank's telephone insurance subsidiary, had plunged into the red in the six months to March, the division recorded a small rise in profits amid continuing fierce competition in motor premiums. Mr Mathewson said he was hopeful the corner had been turned and rates, on the slide for more than three years, would soon rise.

In the half year to March group profits amounted to £369m, up from £301m a year ago. The bank stuck to its traditional practice of paying an

interim dividend worth a third of last year's full-year payout, or 6.2p a share.

The biggest contributor was the UK banking arm, where cost control and a good performance from corporate banking helped profits jump from £246m to £306m. Mr Mathewson warned, however, that a four-point fall in the ratio of the division's costs to its income would not be sustained into the second half.

The £88m (£5m) return from Direct Line scotched rumours that the once highly successful telephone insurance business was in serious trouble. But returns remained insignificant compared with the record profit two years ago of £112m.

Investment column, page 22

Laura Ashley boss earns £1m

John Willcock

Ann Iverson, the chief executive of fashion and home furnishings group Laura Ashley, picked up a £525,000 bonus last year which took her total pay to more than £1m.

Details of the remuneration came just a month after the company issued a profits warning which drove the share price down by over a quarter.

Ms Iverson's total pay increased by a fifth to £1,071,000 last year. This includes a personal insurance plan of £50,000 and a housing allowance of £82,000. She also holds in excess of 5.5 million share options but paper gains on these have been wiped out by the share price collapse. The shares closed 0.5p down yesterday at 105.5p. Her option price is 109p.

Jim Walsh, finance director, received a bonus of £350,000 last year taking his total pay to £648,000. He received total pay of £360,000 in the previous year.

American-born Ms Iverson, 53, joined the board in July 1994 and was appointed chief executive a year later. She had a strong reputation, having turned around Mothercare for British Home Stores.

Her tough-talking approach, sprinkled with US business school management speak, encouraged the City, where analysts were impressed by her strategy to cut costs and develop the Laura Ashley brand.

The shares, which had been languishing at 80p, rose sharply on Ms Iverson's appointment, reaching 210p in May last year, only to fall back to 180p by the beginning of the autumn.

In the profits warning last month Laura Ashley said it was having to sell its spring and summer collections at discounts that would cost a total of £4m. The company said its buying had been too aggressive.

Analysts cut their forecasts for the current year from well over £20m to around £17m.

At the time of the warning Ms Iverson claimed to have the problems under control: "My confidence, my understanding of the issues and the fact that the recovery plan is still intact are valid reasons for continuing optimism," she said.

Before she joined Laura Ashley, Ms Iverson was president and chief executive officer of Kay-Bee Toy Stores, a subsidiary of the Melville Corporation of America.

Ms Iverson has always warned that turning Laura Ashley around would take three to four years. The company has been struggling with too many stores that are too small to display its full range of fashion and home furnishings.

Ann Iverson: Share collapse has hit her share options

Investment column, page 22

The Net Worker.

The Nokia 9000 Communicator. A phone, fax, Web browser, E-Mail terminal, SMS message device and personal organiser in one.

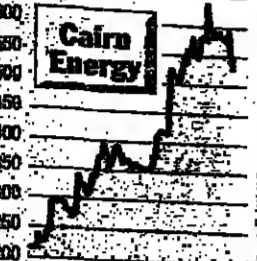
NOKIA
CONNECTING PEOPLE

Data Bank

| | | |
|-----------------|---------------|-------|
| FTSE 100 | 4537.5 | +18.2 |
| FTSE 250 | 4519.0 | -1.2 |
| FTSE 350 | 2210.3 | +7.0 |
| SEAQ VOLUME | 803.1m shares | |
| 54,102 bargains | | |
| Gifts Index | 96.64 | -0.16 |

Share spotlight

share price, pence



Cable & Wireless expected to clinch deal with China

Taking Stock

The stock market is convinced Cable & Wireless is on the verge of clinching a deal with the Chinese government over its controlling stake in Hong Kong Telecom.

Today HKT is expected to ring in with its profits for the year ending March. With Hong Kong's busy days of empire soon to come to an inglorious end time is pressing on Cable to reshape its Far Eastern role.

Although Cable is unlikely to be a position to resolve the problem today, there are hopes it will be able at least to give a clear indication of the outline of its proposed deal with the HKT figures or when it presents its results next week.

Cable has 58 per cent of HKT with the Chinese authorities accounting for approaching 10 per cent. There have been suggestions it will be forced to cut its holding to

40 per cent if it wants a peaceful ride after the Chinese claim the colony. To return it would be allowed a privileged position in the development of the vast - and potentially lucrative - Chinese telephone market.

It is rumoured Cable is reluctant to lower its stake below 50 per cent and is trying to persuade the Chinese of the validity of its argument. If it is able to keep control of HKT and still dial into the Chinese market it would represent a considerable victory for chief executive Dick Brown.

HKT is thought to be on line to produce profits of up to HK\$11.5bn; Cable should manage £1.5bn compared with £1.2bn. Its shares rose 14.5p to 496.5p, they touched 546p when the group was involved in abortive merger talks with BT last year.

The rest of the market con-



MARKET REPORT

DEREK PAIN

stock market reporter of the year

Unilever shaded 3.5p to 1,644p as the market pondered what it will do with its cash inflow. Reddick & Colman could be the answer; it rose 11.5p to 884p, a high.

Reckitt, the packaging and paper group, produced an encouraging trading statement, gaining 14p to 305p, but Dalgely collected the wooden spoon with a 41.5p fall to 269p as it warned on profits and said its year's dividend would be cut by a third.

BSkyB, at one time up 20p, had to settle for a 3.5p gain at 601p after it duly produced its digital television link-up with BT and others.

Rank, the leisure group, gained 5p to 445p. Henderson Crosthwaite hosted another of its institutional dinners last night with 18 fund managers meeting chief executive Andrew Pearce at Lodon's Howard Hotel.

Cobham, the engineer, put on 13.5p to 645p following the analyst visit and despite a Merrill Lynch upgrade Manchester United celebrated its Premiership achievement with a 22p fall to 639p.

Aston Villa, the latest football club to arrive, enjoyed a healthy premium - at least until half time. Placed at 1,100p the shares touched 1,200p but closed at 1,070p.

Shield Diagnostic had another ill-at-ease session. The shares, 805p a little while ago, fell 45p to 752.5p.

Calma Energy was another high flyer under pressure. It fell 14p to 531p against 634.5p in March. There are, apparently, shares sloshing

around the system as institutions adjust their weightings. Clothing group Jacques Vert was another casualty, falling 13p to 26.5p following a profit warning.

British Dredging gained 18p to 152.5p as Grafton, a builders merchant, paid £6.3m for nearly 25 per cent. The stake was built by a mysterious Panamanian company, Redbird.

Petra Diamonds was back in demand, gaining 11p to 64.5p and the warrants 9.5p to 39.5p. There is talk that a progress report could appear today.

Ex-Lands eased 0.5p to 20.75p as Martin Myers, the property man expected to inject assets into the company and join the board, decided to trim his stake to 0.6 per cent.

Ox Ofex, Energiser, the health food group, jumped again - 125p to 975p.

More turmoil appears likely at Pan Anderson Resources, the oil explorer which touched 135.5p last year only to crash to 33.5p when its Bolivian well was judged to be uncommercial.

PAR and BHP, the Australian group which has financed most of the exploration, seem unable to agree a new partnership so PAR will take full control of the block and date costing \$30m. PAR says it remains confident and will continue its search for oil and gas. The shares fell 4p to 48.5p.

Interesting situation at Barr & Wallace Arnold. It formed 3p to 269.5p, pricing the group at £40m. If it sells its leisure side, and it has received one known offer of £35m, it would be left with its motor operations, which made profits of £4.6m last year.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: F Ex-rights & Ex-dividend & Ex a United States Securities Market's Suspended or Parity Paid in Full Shares & AUM Stock

Source: FT Information

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Market leaders: Top 20 volumes

| Stock | Vol/000 | Stock | Vol/000 | Stock | Vol/000 | Stock | Vol/000 |
|-----------|---------|---------------|---------|----------------|---------|-----------------|---------|
| BT | 450000 | Carbion | 180000 | General Elect. | 80000 | National Grid | 70000 |
| BO | 220000 | Plurion | 180000 | Coast Veyella | 80000 | Legal & General | 70000 |
| ICJ | 180000 | BP | 180000 | ASDA Group | 80000 | Bathurst | 70000 |
| Luigi TSB | 120000 | Sainsbury | 180000 | Sainsbury | 80000 | Ryl & Sun Life | 70000 |
| RTA | 120000 | Royal Bk Scot | 180000 | Tate & Lyle | 750000 | AS & Lescuyer | 95000 |

| Open | High | Low | Close |
|--------|--------|--------|--------|
| 4537.5 | 4542.0 | 4532.0 | 4537.5 |
| 4519.0 | 4523.0 | 4514.0 | 4519.0 |
| 2210.3 | 2215.0 | 2205.0 | 2210.3 |

Open 4537.5 up 18.2
High 4542.0 up 4.5
Low 4532.0 down 5.5
Close 4537.5 up 18.2

Open 4519.0 up 1.2
High 4523.0 up 4.0
Low 4514.0 down 5.0
Close 4519.0 up 1.2

Open 2210.3 up 7.0
High 2215.0 up 4.7
Low 2205.0 down 5.3
Close 2210.3 up 7.0

Open 803.1m shares
High 808.0m shares
Low 798.0m shares
Close 803.1m shares

Open 54,102 bargains
High 54,200 bargains
Low 54,000 bargains
Close 54,102 bargains

Open 96.64
High 96.70
Low 96.60
Close 96.64

Open 400 pence
High 405 pence
Low 395 pence
Close 400 pence

Open 420 pence
High 425 pence
Low 415 pence
Close 420 pence

Open 450 pence
High 455 pence
Low 445 pence
Close 450 pence

Open 480 pence
High 485 pence
Low 475 pence
Close 480 pence

Open 500 pence
High 505 pence
Low 495 pence
Close 500 pence

Open 520 pence
High 525 pence
Low 515 pence
Close 520 pence

Open 540 pence
High 545 pence
Low 535 pence
Close 540 pence

Open 560 pence
High 565 pence
Low 555 pence
Close 560 pence

Open 580 pence
High 585 pence
Low 575 pence
Close 580 pence

Open 600 pence
High 605 pence
Low 595 pence
Close 600 pence

Open 620 pence
High 625 pence
Low 615 pence
Close 620 pence

Open 640 pence
High 645 pence
Low 635 pence
Close 640 pence

Open 660 pence
High 665 pence
Low 655 pence
Close 660 pence

Open 680 pence
High 685 pence
Low 675 pence
Close 680 pence

Open 700 pence
High 705 pence
Low 695 pence
Close 700 pence

Open 720 pence
High 725 pence
Low 715 pence
Close 720 pence

Open 740 pence
High 745 pence
Low 735 pence
Close 740 pence

Open 760 pence
High 765 pence
Low 755 pence
Close 760 pence

Open 780 pence
High 785 pence
Low 775 pence
Close 780 pence

Open 800 pence
High 805 pence
Low 795 pence
Close 800 pence

Open 820 pence
High 825 pence
Low 815 pence
Close 820 pence

Open 840 pence
High 845 pence
Low 835 pence
Close 840 pence

Open 860 pence
High 865 pence
Low 855 pence
Close 860 pence

Open 880 pence
High 885 pence
Low 875 pence
Close 880 pence

Open 900 pence
High 905 pence
Low 895 pence
Close 900 pence

Open 920 pence
High 925 pence
Low 915 pence
Close 920 pence

Open 940 pence
High 945 pence
Low 935 pence
Close 940 pence

Open 960 pence
High 965 pence
Low 955 pence
Close 960 pence

Open 980 pence
High 985 pence
Low 975 pence
Close 980 pence

Open 1000 pence
High 1005 pence
Low 995 pence
Close 1000 pence

Open 1020 pence
High 1025 pence
Low 1015 pence
Close 1020 pence

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Low 1055 pence
Close 1060 pence

Open 1080 pence
High 1085 pence
Low 1075 pence
Close 1080 pence

Open 1100 pence
High 1105 pence
Low 1095 pence
Close 1100 pence

Open 1120 pence
High 1125 pence
Low 1115 pence
Close 1120 pence

Open 1140 pence
High 1145 pence
Low 1135 pence
Close 1140 pence

Open 1160 pence
High 1165 pence
Low 1155 pence
Close 1160 pence

Open 1180 pence
High 1185 pence
Low 1175 pence
Close 1180 pence

Open 1200 pence
High 1205 pence
Low 1195 pence
Close 1200 pence

Open 1220 pence
High 1225 pence
Low 1215 pence
Close 1220 pence

Open 1240 pence
High 1245 pence
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Close 1240 pence

Open 1260 pence
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Close 1260 pence

Open 1280 pence
High 1285 pence
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Close 1280 pence

Open 1300 pence
High 1305 pence
Low 1295 pence
Close 1300 pence

Open 1320 pence
High 1325 pence
Low 1315 pence
Close 1320 pence

Open 1340 pence
High 1345 pence
Low 1335 pence
Close 1340 pence

Open 1360 pence
High 1365 pence
Low 1355 pence
Close 1360 pence

Open 1380 pence
High 1385 pence
Low 1375 pence
Close 1380 pence

Open 1400 pence
High 1405 pence
Low 1395 pence
Close 1400 pence

Open 1420 pence
High 1425 pence
Low 1415 pence
Close 1420 pence

Open 1440 pence
High 1445 pence
Low 1435 pence
Close 1440 pence

Open 1460 pence
High 1465 pence
Low 1455 pence
Close 1460 pence

Open 1480 pence
High 1485 pence
Low 1475 pence
Close 1480 pence

Open 1500 pence
High 1505 pence
Low 1495 pence
Close 1500 pence

Open 1520 pence
High 1525 pence
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High 1545 pence
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High 1565 pence
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Open 1580 pence
High 1585 pence
Low 1575 pence
Close 1580 pence

Open 1600 pence
High 1605 pence
Low 1595 pence
Close 1600 pence

Open 1620 pence
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Low 1615 pence
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Open 1640 pence
High 1645 pence
Low 1635 pence
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High 1665 pence
Low 1655 pence
Close 1660 pence

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Low 1675 pence
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High 1705 pence
Low 1695 pence
Close 1700 pence

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Low 1755 pence
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Open 1780 pence
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Low 1775 pence
Close 1780 pence

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High 1805 pence
Low 1795 pence
Close 1800 pence

Open 1820 pence
High 1825 pence
Low 1815 pence
Close 1820 pence

Open 1840 pence
High 1845 pence
Low 1835 pence
Close 1840 pence

Open 1860 pence
High 1865 pence
Low 1855 pence
Close 1860 pence

Open 1880 pence
High 1885 pence
Low 1875 pence
Close 1880 pence

Open 1900 pence
High 1905 pence
Low 1895 pence
Close 1900 pence

Open 1920 pence
High 1925 pence
Low 1915 pence
Close 1920 pence

Open 1940 pence
High 1945 pence
Low 1935 pence
Close 1940 pence

Open 1960 pence
High 1965 pence
Low 1955 pence
Close 1960 pence

Open 1980 pence
High 1985 pence
Low 1975 pence
Close 1980 pence

Open 2000 pence
High 2005 pence
Low 1995 pence
Close 2000 pence

Open 2020 pence
High 2025 pence
Low 2015 pence
Close 2020 pence

Open 2040 pence
High 2045 pence
Low 2035 pence
Close 2040 pence

Open 2060 pence
High 2065 pence
Low 2055 pence
Close 2060 pence

Open 2080 pence
High 2085 pence
Low 2075 pence
Close 2080 pence

Open 2100 pence
High 2105 pence
Low 2095 pence
Close 2100 pence

Open 2120 pence
High 2125 pence
Low 2115 pence
Close 2120 pence

Open 2140 pence
High 2145 pence
Low 2135 pence
Close 2140 pence

Open 2160 pence
High 2165 pence
Low 2155 pence
Close 2160 pence

Open 2180 pence
High 2185 pence
Low 2175 pence
Close 2180 pence

Open 2200 pence
High 2205 pence
Low 2195 pence
Close 2200 pence

Open 2220 pence
High 2225 pence
Low 2215 pence
Close 2220 pence

Open 2240 pence
High 2245 pence
Low 2235 pence
Close 2240 pence

Open 2260 pence
High 2265 pence
Low 2255 pence
Close 2260 pence

Open 2280 pence
High 2285 pence
Low 2275 pence
Close 2280 pence

Open 2300 pence
High 2305 pence
Low 2295 pence
Close 2300 pence

Open 2320 pence
High 2325 pence
Low 2315 pence
Close 2320 pence

Open 2340 pence
High 2345 pence
Low 2335 pence
Close 2340 pence

Open 2360 pence
High 2365 pence
Low 2355 pence
Close 2360 pence

Open 2380 pence
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Low 2375 pence
Close 2380 pence

Open 2400 pence
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Low 2395 pence
Close 2400 pence

Open 2420 pence
High 2425 pence
Low 2415 pence
Close 2420 pence

Open 2440 pence
High 2445 pence
Low 2435 pence
Close 2440 pence

Expect something dramatic in Brown's first Budget

Our new Chancellor seems to like spring surprises. Following his great coup in granting the Bank of England its independence this week, it is a fair bet that there are more on the way.

We await news on the membership of the Bank's new Monetary Policy Committee, and the US-style Council of Economic Advisors, and there will no doubt be some unexpected appointments.

The Chancellor also has between two and four important international meetings before the Budget, depending on whether it is held in mid-June or the start of July: the annual meeting of OECD ministers, an EU finance ministers' meeting, the EU Inter-Governmental conference, and the G7 world economic summit. Plenty of scope for fresh initiatives on an admiring world stage, perhaps on the international development front.

But the big question is what kind of Budget we are going to get. The smoke signals indicate that this is not yet a done deal, with continuing discussions between the Chancellor and Prime Minister's offices about what measures would be consistent with the spirit as well as the letter of Labour's manifesto.

It is clear, though, that Mr Brown would like to go ahead with something more radical than the limited package of windfall tax, jobs programme and cut in VAT on fuel. The something would involve raising the tax burden more than already planned – for increases inherited from Kenneth Clarke are still due to come into effect, notably through the phasing out of profit-related pay.

It is easy to see the Government's dilemma. Although Labour was extremely careful during the election campaign not to rule out all forms of tax rise – its promise applied only to basic rates of income tax – the broader message was that middling voters had nothing to fear financially from a Labour government.



Diane Coyle

Income taxes, allowances and all, must be out of bounds. Any changes would have a theme of long-termism, doing the difficult thing now for eventual economic gain

The first Budget cannot turn around and snatch more from their pay-packets without a serious loss of political credibility – as Gavin Davies argued in his column in *The Independent* this week. Surely two months is too soon to allow disillusion to set in? On the other hand, Labour has also made great promises on long-term improvements to the economy, which will involve fundamental tax reform. At the same time, almost anybody you can

think of is urging the Chancellor to tighten fiscal policy for one reason or another.

The industry lobbies, and those economists prone to gloom about the outlook for growth as exports slow down, are desperate for any relief from the strong pound. They hope that if taxes go up more than planned, interest rates will not need to rise as much as feared.

Other experts argue that this kind of fiscal fine-tuning has never worked in the past and would be a bad old habit to fall back into. But Government revenues still need to be higher to close the structural hole in the public finances.

Borrowing is falling sharply, but is much higher than it should be at this stage. They argue there is also a case for finding a bit more revenue as insurance against the risk of sticking plaster Mr Clarke applied to the government finances falling off. After all, Treasury officials freely describe the plans set out last November as "demanding" – a Mandarin for having a snowball's chance in hell of being met.

With these two varieties of professional support and an ambitious programme for the long-term shake-up of the British economy, it is no wonder Mr Brown is tempted to opt for a radical Budget. He hinted as much in his announcement earlier this week. While stressing that nothing in Labour's manifesto required extra spending and taxes, he said we would have to wait and see whether he decided the fiscal stance needed tightening.

The vaunted inspection of the government books and planned fundamental review of expenditure, along with the switch to commercial-style accounts in the public sector due by the end of the century, could all provide rationales for more dramatic action. Announcements on these are due imminently.

How could this dilemma be resolved? Income taxes, allowances and all, must be out of bounds. Any changes would have a theme

of long-termism, doing the difficult thing now for eventual economic gain. The most likely bets are:

□ An announcement about phasing out tax relief on mortgage interest. Bad news for home owners, even though its value has dwindled over the years, but it could be just about presented as not being a change in income tax. Economists would unanimously acclaim this move for removing a distortion that makes UK house prices more expensive. It could also prevent a damaging housing boom gaining ground. And it would save more than £2.5bn a year.

□ Welfare-to-work measures, on which the Treasury is already dusting off its research. The central problem for many people claiming benefits is that the loss of benefit far exceeds the amount they can hope to earn if they get a job. The withdrawal of benefit needs to be tapered more gently for the low-paid.

Unfortunately, this costs money in the short-term – just as the schemes to get the young unemployed into work will absorb receipts from the windfall tax. It is only later that there are savings to the Exchequer. But with Mr Brown's team eager to take the long view, additional welfare-to-work measures would be no surprise.

□ The necessary funds could be raised via higher "green" taxes or a higher corporate tax burden. Mr Brown is known to favour a fundamental overhaul of corporate taxation. This could not be achieved in the next few weeks. But in the meantime, the Government could decide to limit a tax relief on companies' interest payments, a potentially big source of revenues as it costs £7bn a year in total.

This would add up to a Budget genuinely far more radical than any recent package. It would have the have-nots over the haves, and it would not blatantly breach the spirit of Labour's manifesto. If the Chancellor can stage the drama, chances are he will.

Today's results, with Chinese titbits or cream cheese

PEOPLE & BUSINESS



Sir Michael Angus: Bullish about his wife's cheese-making

The ebullient Sir Michael Angus, chairman of Whitbread, bounced up to one of my colleagues at the results press conference yesterday and assured him: "I think you're better off here than Sainsbury's – the food is slightly better."

It was, of course, Sainsbury's day for declaring results as well. Our retail correspondent happened to be at the rival Sainsbury event, and was able to confirm Sir Michael's claim, describing Sainsbury's fare as "a selection of Chinese titbits – prawn toast, spring rolls, that kind of thing. The Australian wine was good, though."

The reason for Sir Michael's claim about Whitbread's hospitality was revealed later: the chairman's wife, Isobel, supplied home-made cheese for the reception. In fact it was Cerney cheese, creamy with a black skin, which Isobel makes in the village of North Cerney, near Cirencester. Sir Michael describes it as "a usefully loss-making enterprise" (the cheese, not the village).

Meanwhile Sainsbury seems to be more concerned with recent political developments than with providing lashings of free grub for journalists. In particular David Sainsbury, chairman, appears to be very impressed with New Labour's tightly controlled PR machine.

It became obvious yesterday that Sainsbury had discovered its very own version of Peter Mandelson in Dominic Fry, head of PR, who recently parachuted in from Eurometel.

Mr Fry allowed just four questions to be posed to the chairman by the phalanx of City analysts at the morning meeting, much to the latter's surprise. Usually such affairs last far longer. Mr Sainsbury may have bankrolled the Social Democrats in the 1980s, but his present behaviour is very much New Labour: "Managing the Message."

While long lines of weary, shell-shocked former Tory ministers trudge around the City's headquarters, desperately seeking a new job, it looks as though even non-exec positions are unavailable for the election's losers. Tories

suffering from such pariah status can cheer themselves up with the knowledge that it works the other way. Geoffrey Robinson has had to resign his well-paid position as non-executive chairman of TransTec, the Birmingham-based castings maker, since he has been made Paymaster General in the new Government.

Mr Robinson has been the MP for Coventry for some years, which hasn't prevented him from also chairing AGIE (UK) and sitting on the board of Yamato Lock Inspection Systems. Whether the latter two posts will have to go as well following his elevation to the Treasury remains to be seen. And will he retain his 17 per cent stake in TransTec?

It will be interesting to see if Tony Blair's anti-sleaze campaign will result in Labour MPs having to cut corporate ties completely.

Far away from the parochial excitement of the new Government, Grand Prix ace Niki Lauda is set to address a big venture capital bash in Barcelona this summer.

Mr Lauda will not, however, be regaling visitors to the European Venture Capital Association

Symposium with tales of derring-do on the racetrack. Instead the three-time Formula 1 champion will be speaking as chairman of Lauda Air, the Austrian airline he founded in 1979, with a speech titled: "Strategies for surviving in an increasingly competitive market."

Ken Bignall, who left Barclays in 1995 after 37 years with the bank, has popped up as managing director of Visa UK. Mr Bignall rose to head Barclays Financial Services, which was subsequently broken up, with functions reorganised into different departments. This left him without an apparent job two years ago so he left, a move he says he doesn't regret at all.

Described by colleagues as "well-liked and on the marketing ball", Mr Bignall is a lover of fast cars and football. Since leaving Barclays he has been helping to set up the Financial Industry Foundation, a venture launched by financial publisher Michael Lafferty. His new job at Visa UK is based in Kensington and will involve dealing with Visa's owners: the banks that issue the cards.

John Willcock

Foreign Exchange Rates

| Country | Spot | 1 month | 3 months | D-Mark |
|-----------|--------|---------|----------|--------|
| US | 1.5285 | 1.53 | 1.5325 | 1.0000 |
| Canada | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Germany | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| France | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Italy | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Japan | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| UK | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Spain | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Sweden | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Norway | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Denmark | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Finland | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Poland | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Czech | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Slovak | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Hungary | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Romania | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Bulgaria | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Greece | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Turkey | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| India | 2.2834 | 2.28 | 2.2825 | 0.6933 |
| Singapore | 2.2834 | 2.28 | 2.2825 | 0.6933 |

Other Spot Rates

| Country | Spot | 1 month | 3 months |
|-----------|--------|---------|----------|
| Argentina | 1.5285 | 1.53 | 1.5325 |
| Australia | 2.2834 | 2.28 | 2.2825 |
| Brazil | 2.2834 | 2.28 | 2.2825 |
| Canada | 2.2834 | 2.28 | 2.2825 |
| China | 2.2834 | 2.28 | 2.2825 |
| France | 2.2834 | 2.28 | 2.2825 |
| Germany | 2.2834 | 2.28 | 2.2825 |
| India | 2.2834 | 2.28 | 2.2825 |
| Japan | 2.2834 | 2.28 | 2.2825 |
| UK | 2.2834 | 2.28 | 2.2825 |

Forward rates quoted high to low are at a discount. Rates quoted low to high are at a premium. Dollar rates quoted as reciprocal. For the latest foreign exchange rates call 0800 123 3033. Call cost 50p per minute.

Interest Rates

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|-------------|-------|---------|----------|----------|--------|
| UK | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |
| Germany | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| France | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Italy | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Spain | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Japan | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| US | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Canada | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Australia | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| New Zealand | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

Money Market Rates

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|-------------|-------|---------|----------|----------|--------|
| UK | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |
| Germany | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| France | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Italy | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Spain | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Japan | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| US | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Canada | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Australia | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| New Zealand | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

Tourist Rates

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|-------------|-------|---------|----------|----------|--------|
| UK | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |
| Germany | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| France | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Italy | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Spain | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Japan | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| US | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Canada | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Australia | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| New Zealand | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

Life Financial Futures

| Contract | Settlement | High/Low | Open | Close |
|-------------------|------------|---------------|--------|--------|
| Long GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Short GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Long US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |

Life FTSE 100 Index Option

| Contract | Settlement | High/Low | Open | Close |
|-------------------|------------|---------------|--------|--------|
| Long GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Short GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Long US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |

Commodity Indices

| Contract | Settlement | High/Low | Open | Close |
|-------------------|------------|---------------|--------|--------|
| Long GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Short GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Long US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |

Industrial Metals

| Contract | Settlement | High/Low | Open | Close |
|-------------------|------------|---------------|--------|--------|
| Long GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Short GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Long US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |

Precious Metals

| Contract | Settlement | High/Low | Open | Close |
|-------------------|------------|---------------|--------|--------|
| Long GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Short GB | 113.48 | 113.18-113.21 | 113.21 | 113.21 |
| Long US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short US | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Japan | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Euro | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Canada | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short Australia | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Long New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |
| Short New Zealand | 101.75 | 101.75-101.75 | 101.75 | 101.75 |

Hills is Dee man to follow with Musalsal



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Recalling the pressure Ferguson was under, the probability is that a 1-0 victory at Forest in the third round of the FA Cup saved him

Confirmation of this, by which I mean the disaffection that grew up around Ferguson, is contained

some of the team's donkeys managed a good game and the team showed their potential... these were not common sights at the

Kurt continues: "The 'Fergie Out' campaign had begun in earnest, seemingly started by a bloke in J-Stand who just couldn't



take anymore and rapidly taken up by K-Stand and the rest; banners began to appear and 'Fergie Out' hit the top of the terrace hit parade... we might as well admit it - most of us wanted Alex out.

"If the rest of the stadium needed further convincing, December

Looking back now, recalling the pressure Ferguson was under – one respected critic referred to his appointment as an unmitigated disaster – the probability is that a 1-0 victory at Nottingham Forest in the third round of the FA Cup saved him. “The sense of the time was that a knock-out by Forest would release the Edwards hatcher’s chopper,” Kurt adds.

Ferguson still had to run for daylight. Winning the European Cup-Winners' Cup in 1991 gave him room for manoeuvre but a great deal more was expected, most ob-

Towards the turn of the year I put it forward that the signings Ferguson made last summer suggested more Scottish thrift than shrewdness. He took me to task over this, pointing out that he had tried to sign Alan Shearer. So what if the Newcastle and England forward had chosen Old Trafford over St James' Park? Would Ferguson now be reaching out for the one great prize that still eludes him?

Henman's rehabilitation has been supervised by Tim Newen-

All the same, Henman's coach, David Felgate, warned against ex-

now and, though by his own estimate only 95 per cent ready, would also be playing in Rome.

Racket face: Tim Henman me

meets the press at London's Qu

teen's Club yesterday

Photograph: David Ashdown

Faldo returned to the scene of Stephen Ames's victory and

Pearce

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

Derbyshire v Surrey

| C R | |
|--------------------------------------|----|
| DURHAM - First Innings | |
| J J Lewis lbw b Bowler | 26 |
| P D Collingwood b Franks | 6 |
| J E Morris c Robinson b Tolley | 27 |
| N J Speak not out | 20 |
| D C Bacon not out | 20 |
| Extras (lb 4 w 4 nb6) | 16 |

CKET SCOREBO

To bat: J P Hewitt, R L Johnson, A R C Fraser, P C R Tuftell.

Bowling (to date): Jarvis 26-4-81-1; Drakes 6-1-21-0; Robinson 21-5-50-1; Newell 9-2-35-1; Khan 17-3-71-1; Greenfield 1-0-15-0; Athey 6-0-17-0; Perrie 7-0-22-0; Rao 5-1-14-1.

Bowling (to date): Mills 18-6-52-2; Mulally 19-2-50-2; Brimston 3-4-20-0; Johnson 13-3-31-2; Wells 5-3-10-0; Dain 6-1-8-0; Maddy 1-0-5-0.

Falk: 1-41 2-85 3-147 4-177 5-177 5-177
7-179 8-268 9-265.
Did not bat: E How.
Bowling: Law 19-1-93-5; Andrew 17-2-76-0; Such 28-12-41-2; Grayson 18-7-33-1; W-

Only one other – the British

Other strong contenders include three more Kiwis – the world champion, Vaughn Jef-

"We are better ball-strikers, but where they outscore us is in the ability to get up and go from anywhere. It is more of an effort here in the cold than in Florida with the sun on your

European crow
foxing

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| | |
|----------------------------------|-----|
| MIDDLESEX - First Innings | |
| P N Weirles bow b Jarvis | 7 |
| J H Kallis c Sub b Newell | 31 |
| M R Rampurash c Moores b Rao | 145 |
| *M W Gattung b Khan | 23 |
| J C Pooley b Robinson | 30 |
| H R Brown not out | 72 |
| P E Wellings not out | 2 |
| Extras (b3 lb8 w6 nb8) | |

| | |
|---------------------------------|-----|
| G A Rick Ibb d Mills | 59 |
| K R Storing c Maddy b Johnson | 55 |
| T M Moody c Nixon b Johnson | 5 |
| V S Solanki c Brinson b Mullaly | 24 |
| G R Haynes not out | 18 |
| S J Rhodes not out | 27 |
| Extras (b6 b7 w4 nb18) | 35 |
| Total (for 6, 71 overs) | 199 |
| Balls 1-4 2-7 3-8 4-9 5-10 6-11 | |

| | |
|------------------------------------|-----|
| Q Hughes c Hibbert b Such | 8 |
| A Singh b Wilson | 134 |
| W J House c Hibbert b Law | 5 |
| R D Jones lwb b Law | D |
| M W Dawson c Hibbert b Law | 0 |
| D R H Churton lwb b Law | D |
| P S Jones c Peters b Grayson | 38 |
| L W Freshy new cut | |

Bowling: Welch 10.3-0-39-4; Brown 8-4-9-2; Giles 21-8-44-2; Edmond 9-2-26-2; Khan 1-1-0-0.

WARWICKSHIRE: *N V Knight, W G Khan, D L Hemp, D P Ostler, M J Powell, D R Brown, G Welch, J T Frost, N M K Smith, A F Giles.

Two other coaches who have recently lost their jobs - John

Wigan's chairman, Jack Robinson. "But if there was a change of the guard and there was any way I could help Wigan, I'd be only too glad to do it."

dollars (£1.2bn) that the organisers of the Sydney 2000 Olympics say the Games will cost, according to the revised budget yesterday. A profit of A\$42.7m (£26.2m) is

100-443888-100



The return of Tim Henman
Matt Trench on the challenge of clay for Britain's No 1 tennis player, page 26

sport

Fergie's flailings
Ken Jones recalls tougher times at Old Trafford, page 26

United prepare for an extended reign.

GLENN MOORE

Football Correspondent



At the dawn of the century, with the Football League still in its infancy, it must have seemed Aston Villa would never be toppled. In 1900 Villa won their fourth title in five seasons, and their fifth in seven, with a record points score. They were a power in the land, well supported and replete with internationals. A century of promise stretched ahead of them. Yet in 86 seasons since they have won just two further titles.

So there is hope yet for the challengers to Manchester United who on Wednesday secured their fourth title in five

seasons. Nothing, in this game, is permanent.

United do, however, seem likely to maintain their hegemony longer than Villa managed. Graeme Souness, who won five championship medals in six years with Liverpool, said: "To win four out of five is an incredible achievement. The frightening thing is that given their youth and their economic power things are going to be their way for the foreseeable future."

Maybe. United have been resilient but not invincible – their 6-3 defeat to Southampton side was probably the nadir of a season in which they also lost 5-0 to Newcastle and slipped out of the top five for the first time since 1992.

Nor can it be said that they have bought the title. United are

one of only two Premiership clubs not to buy during the season – Wimbledon are the other – and of their five summer signings (for £6.7m) only the two Norwegians, Ole Gunnar Solskjær and Ronny Johnsen, have made significant contributions.

Both are young, in keeping with Ferguson's policy of long-term building. While Eric Cantona has shown signs of decline and the defence has wobbled of late, there is no reason to think that United will not be dominant for seasons to come. Their reserves, A and B teams have also won their respective titles.

Can this sustained supremacy be good for the game? One would think not. Unlike this month's other red triumph United's success was not greeted with a national wave of eu-

Managerial roll of honour

English championships won
Six Bob Paisley (Liverpool): 1976, 1977, 1979, 1980, 1982, 1983.
Five Sir Matt Busby (Manchester United): 1962, 1966, 1967, 1969, 1971.
Tom Watson (Sheff Wed & Liverpool): 1892 (S), 1893 (S), 1900 (S), 1901 (L), 1904 (L).
Four Alex Ferguson (Manchester United): 1994, 1996, 1997.
Herbert Chapman (Sheff Wed & Arsenal): 1924 (A), 1925 (A), 1931 (A), 1933 (A).
Kenny Dalglish (Liverpool & Blackburn): 1988 (L), 1989 (L), 1990 (L), 1995 (S).

phoria. Outside Upton Park on Tuesday West Ham and Newcastle supporters were buying T-shirts marked "Better dead than red – I hate Man Utd". Not that Liverpool, Arsenal or Newcastle would have been greeted with anything other

than "it's nice to have a change". The prospect of the football world feeling as rejuvenated as the political one had last week when Kevin Keegan left Tyneside.

Yet since Keegan departed, Manchester United have regained their status as the Premiership's most cavalier team. They have outscored all their rivals, as they did last season, and frequently done so in style.

This positive approach is good for the game as is Ferguson's faith in his young players and their bearing, on and off the pitch. The image of United as a team of snarling whingers is outdated, even the manager has mellowed to an extent.

Yet the club could do more. To begin with they could set an example by reducing admis-

Alex Ferguson's changing fortunes

1986-91
P W D L F A Pts
183 76 56 52 256 194 282
Average points per game: 1.54

1991-97
P W D L F A Pts
242 144 67 31 445 211 469
Average points per game: 2.06

sion prices rather than raising them as is planned. There is enough revenue from television and sponsorship to subsidise the paying spectator (or reduce the profit made from him or her).

This would not be purely altruistic. As ticket prices have risen, the audience demographic has changed. The theatre of dreams too often sounds like a theatre these days. Apart from

a hard core, which increasingly feel unwanted by the club, the spectators spectate, rather than participate. The team is expected to rouse them not the other way around. It is no coincidence that, after long unbeaten home runs in Europe and the Premiership, United have lost five home games this season.

United could also take a lead in helping smaller clubs maintain the unique structure of the English game. Ferguson, having begun his managerial career at East Stirling, knows the value of the smaller clubs and he regularly loans players out to them for experience – as with David Beckham at Preston.

There are limits – United can hardly play a fundraising testimonial at every lower League ground. They can put their

weight behind moves to preserve something of the system and to develop the television deal towards smaller clubs rebuild grounds and pay help that would be more helpful than threatening to go it alone pay-per-view, and thus ensuring the strength of the body politic's bargaining power, as Ferguson did recently in a fit of pique at the Premiership's refusal to extend the season. Sharing their expertise in marketing and administration would not go amiss either.

There is one other service United can do the English game. That is to mark its revival by winning the European Champions Cup. Next year, maybe next year.

Premiership under fire from Blatter

The Premiership came under increased pressure yesterday to reduce the number of clubs in the top division when Sepp Blatter, the general secretary of Fifa, the game's international governing body, criticised the number of games being played.

Fifa's European counterpart, Uefa, have shown their displeasure at the 20-club Premiership by denying next season's Coca-Cola Cup winners a Uefa Cup place. Uefa, looking to extend the scope of the Champions' League still further, say that top divisions should contain no more than 18 clubs, a proposal originally adopted by Premiership chairman but now seemingly ignored. And Blatter went a stage further by urging a further reduction to 16.

Blatter, speaking in Zurich, picked out the Premiership and Spain's Premier Liga. "Both of them are too big," he said. "The Premiership has 20 teams and the Spanish First Division has 22 teams. A much more sensible figure would be 16 teams."

Blatter again criticised television's growing role in the game. "In some countries you have a big match on television every day. It is too much and is

a threat to the game. There are simply too many matches. Players do not have time to recover," he said.

Blatter, who effectively ruled himself out of the running to replace Joao Havelange as the Fifa president when the Brazilian stands down next year, revealed there was likely to be a compromise with the French authorities over the issue of perimeter fences at next summer's World Cup finals.

Fifa have bitterly opposed the fences, insisting they create the wrong image for the sport, with Blatter stating publicly: "Fences are for animals not football fans." The French Government has so far said security concerns means the fences will stay, but Blatter said: "I think you will see no fences along the sidelines and fencing behind the goals will be much lower."

"When we drew up the regulation for the 1998 World Cup finals we did not include the banning of fences," he said. "That was an oversight. As there were no fences in the United States finals we did not think about it. But in future any country wanting to host the finals will have to agree not to put up fences."

The Premier League re-

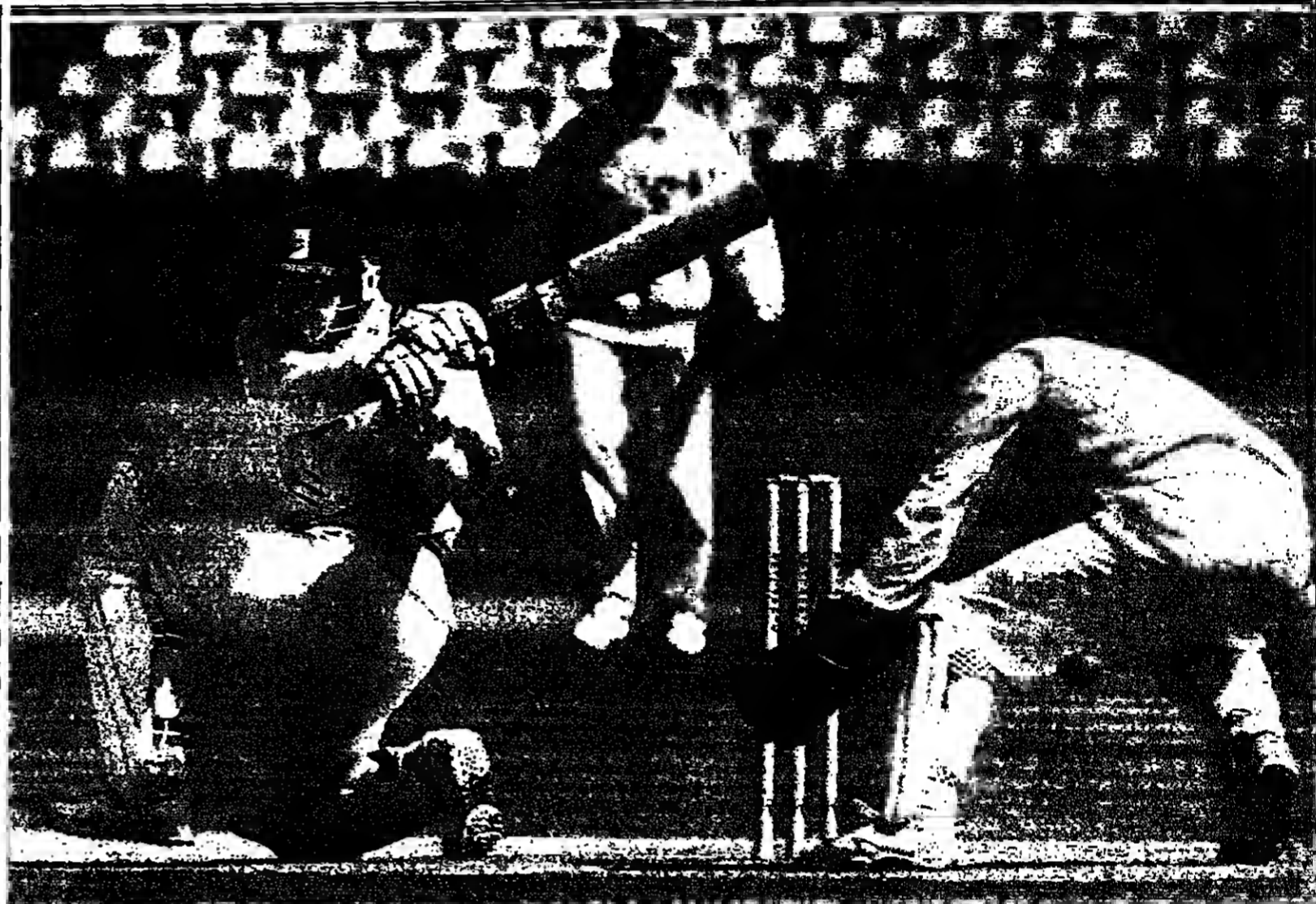
sponded to Blatter's comments by pointing out the Premiership was smaller now than it had originally been.

The Premiership has been cut from 22 to 20 clubs. At this stage in our development we believe that strikes the right balance."

But although the loss of the Coca-Cola Cup Uefa place actually strengthens the Premiership's hand as the extra place will be awarded on the basis of League position, Lee did not rule out the possibility of a future cut to the Uefa "model" size of 18 clubs.

"Decisions on the size of domestic leagues are a matter for the leagues' governing bodies," he said. "There is also an ongoing debate on this issue which our clubs will participate in during the years ahead."

Bayern Munich's co-trainer, Klaus Augenthaler, has signed a two-year contract with the Austrian First Division club Casino Graz. Augenthaler, 39, was presented by Casino Graz yesterday as successor to the club's present coach, August Starek. He will take up the post next season. Casino Graz are currently lying sixth in the Austrian league championship standings.



Mark Ramprakash employs the sweep as he cruises to his century at Lord's yesterday

Photograph: David Ashdown

Ramprakash in control with a century

Cricket

DEREK PRINGLE
reports from Lord's
Middlesex 337-5
v Sussex

Father Time has a new home at Lord's atop the Mound stand scoreboard. He has not gone far, but if the aspect is different, the gaze, despite being broken by a Mark Ramprakash century, is as unimpaired and uncritical as ever. Just as well considering the limp display by most of the Sussex bowlers as Middlesex rattled up 337 for 5 by the close.

These days a Mark Ramprakash century usually brings

about two responses. From his supporters, comes the clarion call for another chance to play for England, while from his critics the resounding snort that they have seen it all before, and that the temperamental flaws that obviously exist, run too deep to be exposed by county opposition.

This was his 35th first-class century. Tellingly, perhaps, 32 of them have been for Middlesex. And yet he appears to improve year upon year and this was his second century in successive innings having already notched one up as captain of the Rest at Edgbaston two weeks ago. It is a process that appears to have been developed through controlling the turmoil and

judgements that come from within, rather than fine-tuning the technique that has long been the envy of his peers.

In fact had Ramprakash already been in Michael Atherton's plans for the summer, it would have been difficult to see how he could have summoned up the desire he did yesterday against Sussex. The county's recent tumult being matched by a confusion on the pitch that saw them use nine bowlers – at least half appeared to be part-time – in an attempt to justify their decision to put Middlesex into that on a green-tinged pitch. Sussex could counter that apart from Ramprakash's knock and an injury in the

morning session to their fast bowler Vasebert Drakes it was the correct decision. Certainly Paul Weekes, who was dropped at second slip without scoring, did not last long, while Jacques Kallis, Middlesex's overseas signing from South Africa, lazily drove to cover after blunting the opening salvo.

Gatting, in his dotage as a player but newly reborn as a selector, did not last long either, tamely chopping on to Arner Khan, a leg-spinner he will have faced a thousand times in the nets at the Nursery End. Gatting needs nine more first-class hundreds to notch up a century of centuries, a feat that grows ever more distant

for this great club servant. However, by the time Jacques Kallis had lost his mid-stump playing back to Arner Robinson, Ramprakash was well entrenched and striking the ball with smooth and powerful assurance, bringing up his 100 just before tea.

Having dominated play until that point, he then decided to retrench, allowing Keith Brown to take control with a series of snappy cut shots. The pair had added 136 in 39 overs when Ramprakash edged one of Rajesh Rao's dolly mixtures to Peter Moores down the leg side. Ignominy does not come any better than that.

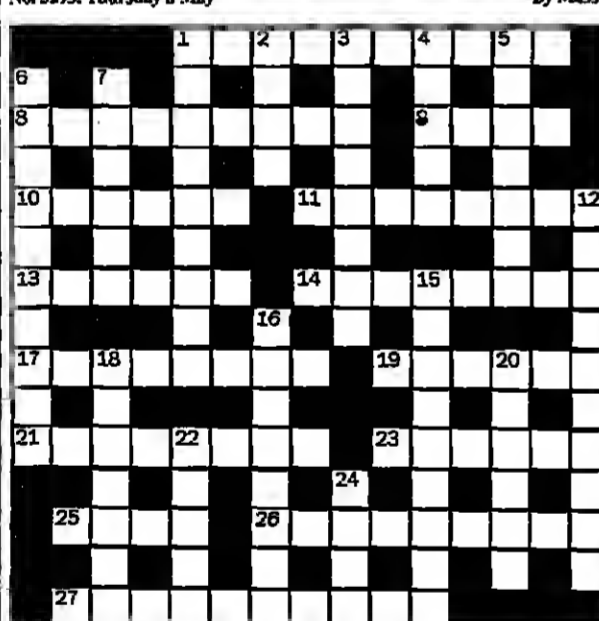
Cricket, page 26

THE INDEPENDENT CROSSWORD

No. 3293, Thursday 8 May

By Mass

Wednesday's solution



W E A R
H E N
R O S S
R T R G C S
A S M O R E
H A T S T A N D
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E L O A T I N G V O Y E R
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L S T E O M
P L A Y O U T B R A K
O I L C A I L
D O W N M A R K E T P A D E
P G N E T S

ACROSS

- It's enough to make one leave home (10)
- Skilled worker – and mate, You might say (9)
- Straight in the bull (4)
- Stay in hall, rest, eschewing University (6)
- He's away, high on Ecstasy, in Lincoln (8)
- One engaged in housework? (6)
- Instrument for disc, note, rotating (8)
- Carpet with handsome cut I fitted (8)
- Merchant takes Queen on board (6)
- Tragedy causing girl's wretched tears (8)

DOWN

- Detached is taken off the market? (9)
- Dignitary, elevated English bishop (4)
- One blend, very smoky, made one peer (8)
- Cannon's no good as a weapon (5)
- Denounced (without name) as bent (7)

- Judge settles point in retrospect (6)
- Score extra (4)
- Draw drink, measure of mild that's in condition (9)
- Faculty ensuring male remains aware (10)
- It could give you the runs! (10)
- Rifle tops of marijuana with addict (6)
- Agency promoting auditions? (3-7)
- To fail to respond to alarm proves Lee's blot to (9)
- He values foot's gold around SE (8)
- Import bash? Then you'll get time (7)
- Play, in general, introducing 'Method' (6)
- One keeps up British address (5)
- Change jar, short of litre? (4)

Walkinshaw moves to calm Hill's frustration

Motor racing

DERICK ALLSOP
reports from Monte Carlo

Contrasting moods, contrasting aspirations. Heinz-Harald Frentzen, suddenly a Formula One race winner and suddenly relaxed and oozing confidence in anticipation of Sunday's Monaco Grand Prix.

Damon Hill, the man he replaced at Williams-Renault, has scant hope of success here, while his team, Arrows-Yamaha, are anxiously quelling any suggestion of a rift.

Hill's fourth fruitless race at Imola 12 days ago caused him to demand the team "get their act together" and reiterate his

determination to secure a competitive car for next year, be it at Arrows or elsewhere.

Tom Walkinshaw, the Arrows supremo, has already taken steps to improve matters by opening negotiations for a different engine partner and employing the renowned designer John Barnard to create a more competitive car. Now Walkinshaw offers words of comfort, too.

He said: "We knew all along that it wouldn't happen overnight and Damon knew that. We've talked about the situation with Damon and he understands. We have no problem with Damon and he knows we're all determined to get things right. We're just as angry and frustrated as he is. We don't like it either when he starts at the back. But if Damon wasn't disappointed, I would be disappointed in him."

"There is always a danger he will go at the end of the season, but it's too early to talk about that. He doesn't need me to tell him to keep calm. He has to keep focused. If the circumstances are right, it's still possible for him to win a race this year."

Frentzen, who held off Michael Schumacher's Ferrari to register his maiden Formula One victory at Imola, senses the opportunity to challenge his team-mate, Jacques Villeneuve, for the championship and expects the competition to be evident here this weekend.

"After the win I am more relaxed and confident, and can concentrate on my job and enjoy the racing," the German said. "Jacques has done a great development job and got stronger and stronger, a lot stronger than last year. For

him this race is a break. He had not such a good race last year and has worked hard for this. Michael is very strong and in qualifying so I think it will be exciting."

Frentzen, who likens racing here to "bobsledding in a tunnel", was also promised a strong challenge from Schumacher by Ferrari's team director, Jean Todt.

"I believe we will be quite competitive," Todt said. "Michael is very strong and was frustrated after crashing so early in the race last year. Williams are still better than us, especially in qualifying, but the championship is open and we hope to be at their level by the middle of the season."

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